

GRYPHON GOLD CORP
Form SB-2
July 21, 2006

As filed with the Securities and Exchange Commission on July 21, 2006.

Registration Statement No. 333-_____

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Gryphon Gold Corporation

(Name of small business issuer in its charter)

Nevada
(State or jurisdiction of
incorporation or organization)

1041
(Primary Standard Industrial
Classification Code Number)

92-0185596
(I.R.S. Employee
Identification No.)

390 Union Blvd., Suite 360
Lakewood, CO 80228
(Address of principal executive offices)

(303) 988- 5777
(Registrant's telephone number,
including area code)

(same as above)
(Address of principal place of business or intended
principal place of business)

Paracorp Incorporated
318 N. Carson Street #208
Carson City, Nevada 89701
Phone: (775) 883-0104
(Name, address and telephone number of agent for service)

Copy to:

Kenneth G. Sam, Esq.
Dorsey & Whitney LLP
370 Seventeenth Street, Suite 4700
Denver, Colorado 80202
(303) 629- 3445

Approximate date of proposed sale to the public: From time to time after the effective date of this registration statement.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit⁽¹⁾	Proposed maximum aggregate offering price⁽¹⁾	Amount of registration fee
Common Stock to be offered for resale by selling shareholders	5,604,000	\$1.11	\$ 6,220,440	\$ 666
Common Stock acquirable upon exercise of warrants to be offered for resale by selling stockholders ⁽²⁾	9,635,685	\$1.11	\$10,695,610.35	\$ 1,145
TOTAL	15,239,685		\$16,916,050.35	\$ 1,811

- (1) Estimated pursuant to Rule 457(c) under the Securities Act of 1933, as amended, solely for purposes of calculating amount of registration fee, based on the average of the high and low sales prices of the Registrant's common stock on July 17, 2006, as quoted on the Toronto Stock Exchange. Based on a Cdn\$ to US\$ conversion rate of \$1.1322/\$1 as of July 17, 2006, based on the noon buying rates in New York City for cable transfers payable in Canadian Dollars and certified for customs purposes by the Federal Reserve Bank of New York.
- (2) Consisting of 2,737,500 shares of Common Stock issuable upon exercise of Series B warrants granted March 24, 2006, 280,500 shares exercisable upon exercise of compensation Series C warrants issued March 24, 2006, 6,553,185 shares of Common Stock issuable upon exercise of pre Initial Public Offering warrants granted in January and April 2005, and 64,500 shares of Common Stock issuable upon exercise of Series D warrants granted June 10, 2006.
- (3) The registrant previously paid a registration fee in the amount of \$3,502.33 in connection with the filing of its registration statement on Form SB-2 (SEC File No. 333-127635). This registration statement constitutes a post-effective amendment covering 6,286,000 shares of common stock issuable upon exercise of Class A warrants registered under such registration statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these shares, and the selling shareholders are not soliciting an offer to buy these shares in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject To Completion: Dated _____, 2006

Gryphon Gold Corporation

21,525,685 Shares of Common Stock

This prospectus relates to the sale, transfer or distribution of up to 21,525,685 shares of the common stock, par value \$0.001 per share, of Gryphon Gold Corporation by the selling shareholders described herein. The price at which the selling shareholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. The shares of common stock registered for sale:

5,604,000 shares of common stock held by selling shareholders;

6,553,185 shares of common stock acquirable upon exercise of pre IPO Warrants at \$0.65 to \$0.90 per share held by selling shareholders;

2,737,500 shares of common stock acquirable upon exercise of Series B Warrants at Cdn\$1.65 per share held by selling shareholders;

280,500 shares of common stock acquirable upon exercise of compensation Series C Warrants at Cdn\$1.40 per share held by selling shareholders; and

64,500 shares of common stock acquirable upon exercise of Series D Warrants at Cdn\$1.82 per share held by selling shareholders; and

6,286,000 shares of common stock acquirable upon exercise of Class A Warrants in our IPO at Cdn\$1.15 per share.

We will not receive any proceeds from the sale or distribution of the common stock by the selling shareholders. We may receive proceeds from the exercise of the warrants, if any, and will use the proceeds from any exercise for general working capital purposes.

Our common stock is quoted on the Toronto Stock Exchange (TSX) under the symbol GGN . On July 17, 2006, the closing sale price for our common stock was Cdn\$1.25 on the TSX. **Investing in our common stock involves risks. See Risk Factors and Uncertainties beginning on page 6.**

These securities have not been approved or disapproved by the SEC or any state securities commission nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2006.

TABLE OF CONTENTS

SUMMARY INFORMATION	1
RISK FACTORS AND UNCERTAINTIES	6
FORWARD-LOOKING STATEMENTS	13
USE OF PROCEEDS	14
SELLING SHAREHOLDERS	14
PLAN OF DISTRIBUTION	32
LEGAL PROCEEDINGS	33
DIRECTORS, EXECUTIVE OFFICERS, AND CONTROL PERSONS	33
EXECUTIVE COMPENSATION	37
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	41
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	45
DESCRIPTION OF SECURITIES	46
THE SEC'S POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES	47
DESCRIPTION OF THE BUSINESS	48
MANAGEMENT'S DISCUSSION AND ANALYSIS	51
DESCRIPTION OF PROPERTY	57
MARKET FOR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS	79
FINANCIAL STATEMENTS	81
EXPERTS AND CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	101
TRANSFER AGENT AND REGISTRAR	101
LEGAL MATTERS	101
WHERE YOU CAN FIND MORE INFORMATION	101
DEFINITIONS	101
SIGNATURES	113

SUMMARY INFORMATION

This summary does not contain all of the information you should consider before buying shares of our common stock. You should read the entire prospectus carefully, especially the Risk Factors and Uncertainties section and our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in shares of our common stock.

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

In this prospectus all references to \$ or dollars mean the U.S. dollar, and unless otherwise indicated all currency amounts in this prospectus are stated in U.S. dollars. All references to Cdn\$ refer to the Canadian dollar. All financial statements have been prepared in accordance with accounting principles generally accepted in the United States and are reported in U.S. dollars.

EXCHANGE RATE INFORMATION

The following table sets forth, for each of the years indicated, the year end exchange rate, the average closing rate and the high and low closing exchange rates of one Canadian dollar in exchange for U.S. currency as quoted by the Bank of Canada. On July 17, 2006, the closing rate was Cdn\$1.00 equals United States \$0.8832. For the purposes of this prospectus, U.S. dollars were converted into Canadian dollars at the rate of Cdn\$1.00 = US\$0.8832, rounded to the nearest thousand dollars, as applicable.

	Calendar Year Ended December 31		Fiscal Year Ended March 31	
	2005	2004	2005	2004
High	0.8751	0.8504	0.8850	0.8504
Low	0.7853	0.7165	0.7853	0.7164
Average	0.8254	0.7685	0.8368	0.7822
Year End	0.8598	0.8319	0.8562	0.8267

METRIC CONVERSION TABLE

For ease of reference, the following conversion factors are provided:

Metric Unit	U.S. Measure	U.S. Measure	Metric Unit
1 hectare	2.471 acres	1 acre	0.4047 hectares
1 metre	3.2881 feet	1 foot	0.3048 metres
1 kilometre	0.621 miles	1 mile	1.609 kilometres
1 gram	0.032 troy oz.	1 troy ounce	31.1 grams
1 kilogram	2.205 pounds	1 pound	0.4541 kilograms
1 tonne	1.102 short tons	1 short ton	0.907 tonnes
1 gram/tonne	0.029 troy ozs./ton	1 troy ounce/ton	34.28 grams/tonne

1

THE OFFERING

This is an offering of up to 21,525,685 shares of our common stock by certain selling shareholders.

Shares Offered By the Selling Shareholders 21,525,685 shares of common stock, \$0.001 par value per share, including:

5,604,000 shares of common stock held by selling shareholders; and

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

6,553,185 shares of common stock acquirable upon exercise of pre IPO Warrants at \$0.65 to \$0.90 per share;

2,737,500 shares of common stock acquirable upon exercise of Series B Warrants at Cdn\$1.65 per share;

280,500 shares of common stock acquirable upon exercise of compensation Series C Warrants at Cdn\$1.40 per share;

64,500 shares of common stock acquirable upon exercise of Series D Warrants at Cdn\$1.82 per share;

6,286,000 shares of common stock acquirable upon exercise of Class A Warrants in our IPO at Cdn\$1.15 per share.

Offering Price	Determined at the time of sale by the selling shareholders
Common Stock Outstanding as of July 17, 2006	41,048,870 shares
Use of Proceeds	We will not receive any of the proceeds of the shares offered by the selling shareholders. We may receive proceeds from the exercise of warrants, if any, and will use any such proceeds for general working capital purposes.
Dividend Policy	We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we do not currently anticipate paying cash dividends.
Toronto Stock Exchange Symbol	GGN

The number of shares of our common stock that will be outstanding immediately after this offering includes 41,048,870 shares of common stock outstanding as of July 17, 2006. This calculation excludes:

2,515,000 shares of common stock issuable upon vested exercise of options outstanding as of July 17, 2006 at an exercise price of \$0.75 per share for 2,300,000 options and at the initial public offering price for 215,000 options;

6,553,185 shares of common stock acquirable upon exercise of pre IPO Warrants at \$0.65 to \$0.90 per share;

6,286,000 shares of common stock acquirable upon exercise of Class A Warrants in our IPO at Cdn\$1.15 per share

2,737,500 shares of common stock acquirable upon exercise of Series B Warrants at Cdn\$1.65 per share;

280,500 shares of common stock acquirable upon exercise of compensation Series C Warrants at Cdn\$1.40 per share;

64,500 shares of common stock acquirable upon exercise of Series D Warrants at Cdn\$1.82 per share;

121,000 shares of common stock available for future grant under our Stock Option Plan as of July 17, 2006; and

690,000 shares of common stock issuable to the underwriters pursuant to the compensation option granted to the underwriters at a price of Cdn\$0.85 per share.

SUMMARY OF BUSINESS

Gryphon Gold Corporation was formed under the laws of the State of Nevada on April 24, 2003.

Our principal business offices are located at 390 Union Blvd., Suite 360, Lakewood, Colorado 80228, and our telephone number is 303-988-5777. We also have an administrative and financing office in Canada at Suite 810, 1130 West Pender Street, Vancouver, British Columbia, Canada V6E 4A4, and our telephone number there is 604-261-2229.

We own 100% of the issued and outstanding shares of our operating subsidiary, Borealis Mining Company. We have no other subsidiary. Borealis Mining Company was formed under the laws of the State of Nevada on June 5, 2003.

We were established as a private company in April 2003 by our two co-founders, Albert Matter and Allen Gordon, to acquire and develop gold properties in the United States. Our objective is to establish a producing gold company through the development and extraction of gold deposits.

In July 2003, through our wholly-owned subsidiary Borealis Mining, we acquired from Golden Phoenix an option to earn up to a 70% joint venture interest in the mining lease for the Borealis Property, which we refer to as the July 2003 Option and Joint Venture Agreement, by making qualified development expenditures on that property.

During 2004, we completed drilling, technical and engineering work necessary to prepare a Plan of Operation in respect of the development of an open pit, heap leach mine on the Borealis Property. We submitted the Plan of Operation to the U.S. Forest Service on August 27, 2004, and we continue to work on satisfying all the

3

requirements of the various approval agencies and completing all necessary reviews, including the approval of the Nevada Division of Environmental Protection. The U.S. Forest Service approved our Plan of Operation on June 26, 2006 and Nevada Division of Environmental Protection has approved and granted our operating permits.

In 2005, Borealis Mining entered into a purchase agreement with Golden Phoenix which gave Borealis Mining the right to purchase the interest of Golden Phoenix in the Borealis Property for \$1,400,000. Golden Phoenix transferred its interest in the Borealis Property to Borealis Mining on January 28, 2005. Borealis Mining paid \$400,000 of the purchase price to Golden Phoenix upon closing of the purchase, and four additional quarterly payments of \$250,000 were made to Golden Phoenix. With the final payment of \$250,000 on January 24, 2006, Borealis Mining completed all the required payments under the purchase agreement and now has 100% control of the Borealis Property.

As sole shareholder of Borealis Mining, we control all of the lease rights to a portion of the Borealis Property, subject to advance royalty, production royalty, and other payment obligations imposed by the lease. Our acquisition of the interest of Golden Phoenix in the Borealis Property terminated the July 2003 Option and Joint Venture Agreement.

In addition to our leasehold interest to a portion of the Borealis Property, we also own through Borealis Mining numerous unpatented mining claims that make up the balance of the Borealis Property, and all of the documentation and samples from years of exploration and development programs carried out by the previous operators of the Borealis Property, totaling thousands of pages of data including, but not limited to, geophysical surveys, mineralogical studies and metallurgical testing reports.

Technical work continues towards permitting and preparing the feasibility study on the redevelopment of the Borealis Mine. As a part of the feasibility work, the Company continued with engineering and field work, including extensive drill testing, to further define available gold

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

mineralization. Near-surface oxide definition drilling to date consisted of 109 holes and is continuing. In addition 26 deeper holes were drilled as an exploration program to further define deeper sulfide gold mineralization within the limits of the area on our property which were previously disturbed by mining activity.

On December 22, 2005, we completed our initial public offering of 6.9 million units for gross proceeds of approximately \$ 5.0 million with net proceeds of \$2,794,557 after deducting costs of \$2,241,940. The units were sold at a price of Cdn\$0.85 each and consisted of one common share and one Class A warrant. Each Class A warrant is exercisable for a period of 12 months at a price of Cdn\$1.15. The common shares are listed on the Toronto Stock Exchange under the symbol GGN. The offering was underwritten by a syndicate of Canadian underwriters which included Desjardins Securities, CIBC World Markets, Border Investment Partners and Orion Securities. The units were offered for sale pursuant to a prospectus filed in four Canadian provinces (British Columbia, Alberta, Manitoba and Ontario). The units were also registered in a registration statement filed with the United States Securities and Exchange Commission. The proceeds of the offering will be used principally for the completion of the Company's feasibility study for its Borealis Property and its exploration program on the Borealis Property, as well as for working capital.

On March 24, 2006, we closed the private placement of 5,475,000 units for sale at Cdn\$1.25 to a limited number of accredited investors in Canada and the United States. Each unit consisted of one common share and one half of one Series B purchase warrant. The Series B warrants are exercisable until March 23, 2007 at a price of Cdn\$1.65. The private offering raised gross proceeds of Cdn\$6.8 million. We paid qualified registered dealers a 7% cash commission and issued compensation Series C warrants to acquire 280,500 common shares at price of Cdn\$1.40 until March 23, 2007 on a portion of the private placement. The shares, warrants and underlying shares were not qualified by prospectus and have not been registered under U.S. securities laws and are subject to resale restrictions. The Company has granted registration rights to the investors in this private placement and will use commercially reasonable efforts to prepare and file with the SEC, within 120 days of closing, a registration statement under the Securities Act and to cause such statement to be declared effective. The proceeds of this offering will be applied to fund the continuation of our exploration and development program on the Borealis Property.

4

In June 2006, we closed a private placement with our new Chief Financial Officer and our Corporate Controller. Mr. Longinotti was appointed as new Chief Financial Officer to the Company, effective May 15, 2006, and the Company has agreed to enter into a formal employment agreement with him in due course. Mr. Longinotti received through a private placement: 100,000 Units of the Company at a price of Cdn\$1.35; with each Unit consisting of one (1) share of the Company's common stock with a par value of \$0.001 and one-half (1/2) of one (1) share purchase Series D Warrant. The common stock was issued May 26, 2006, and the Series D warrants were issued June 10, 2006. Mr. Longinotti's employment commenced April 18, 2006. Mr. Rajwant Kang is the Corporate Controller to the Company. In June of this year, as part of a private placement, Mr. Kang was issued 29,000 Units of the Company at a price of Cdn\$1.35; with each Unit consisting of one (1) share of the Company's common stock with a par value of \$0.001 and one-half (1/2) of one (1) share purchase Series D Warrant. The common stock was issued June 2, 2006, and the Series D warrants were issued June 10, 2006.

CORPORATE STRENGTHS

We believe that we have the following business strengths that will enable us to achieve our objectives:

Our management team has significant mining industry experience ranging from exploration to mine development and operation.

As the Borealis Property was the site of surface mining operations from 1981 to 1990, we believe the process to receive permits and start operations on previously mined operations is less difficult than getting permits for a previously undisturbed area. We have begun the environmental related regulatory review and approval process, which we believe will allow us to resume surface mining and on site gold recovery, assuming additional financing is available. We have received approvals for surface exploration and water wells and have successfully progressed through the required agency and public review process for those permits.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Our land position is extensive, controlled by 859 unpatented mining claims covering approximately 17,200 acres. We believe many surface showings of gold mineralization on the property may provide opportunities for discovery of gold deposits. Our property has multiple types of gold deposits including oxidized material, partial oxidized material, and predominantly sulfide material; which we believe may allow us flexibility in our future plans for mine development and expansion, assuming additional financing is available.

We cannot be certain that any mineral deposits will be discovered in sufficient quantities and grade to justify commercial operations. We have no proven or probable reserves. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit; metal prices, which are highly cyclical; the cost to extract and process the mineralized material; and government regulations and permitting requirements. We may be unable to upgrade our mineralized material to proven and probable reserves in sufficient quantities to justify commercial operations and we may not be able to raise sufficient capital to develop the Borealis Property.

We have specifically focused our activities on Nevada, which was rated the highest jurisdiction in the world for mining investment attractiveness by an independent survey. Mining is an integral part of Nevada's economy. In 2004, the mining industry increased Nevada's output by \$5.89 billion including both direct and indirect impacts, up from \$5.35 billion in 2002. Nevada ranks third in the world in gold production, after South Africa and Australia. Located in the State of Nevada are well known geological trends such as the Carlin Trend, Battle Mountain, Getchell Trend and the Walker Lane Trend. The Borealis Property is also located along the Aurora-Bodie trend which crosses the principal Walker Lane Trend as shown in the illustration below. Borealis, Bodie, Aurora, and other historical producing districts, are aligned along this northeast-southwest belt of significant gold deposits.

5

RISK FACTORS AND UNCERTAINTIES

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of our common stock.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

Estimates of mineralized material are forward-looking statements inherently subject to error. Although resource estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Our operations may require further capital beyond what we currently possess.

We are an early stage company and currently may not have sufficient capital to fully fund the Plan of Operation at the Borealis Property. Currently, we have sufficient cash on hand to fund the completion of a feasibility study, our current drilling program, permitting and general and administrative expenses through 2006. Although the proceeds of this offering are expected to provide us with sufficient capital to fund our planned preparation of a mine plan for the Borealis Property based on management's current assumptions, we will require substantial additional financing for future development activities, if any, or if we encounter unexpected costs or delays.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, and, if warranted, development or production on any or all of the Borealis Property and any properties we may acquire in the future or even a loss of our property interest. This includes the Borealis Property, as our lease over claims covering the principal deposits will expire in 2009 unless we are engaged in active mining operations at that time. We cannot be certain that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable or acceptable to us. Future financings may cause dilution to our shareholders.

The feasibility of mining on the Borealis Property, our only property, has not been established, which means we have not completed exploration work to determine if it is commercially feasible to develop the property.

We have no probable or proven reserves on our property. The mineralized material identified to date on the Borealis Property does not have demonstrated economic viability, and we cannot provide any assurance that mineral reserves will be identified on the property. The feasibility of mining has not been, and may never, be established. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. If we are unable to upgrade some or all of our mineralized material to proven and probable reserves in sufficient quantities to justify commercial operations, we may not be able to raise sufficient capital to, if warranted, develop a mine at the Borealis Property. The market value of exploration stage companies is determined, in part, by the existence of proven or probable reserves on the company's property. If we are unable to establish such reserves, the market value of our securities is expected to decline significantly and you may lose some or all of your investment. In addition, if we are unable to develop the Borealis Property, we may never be able to generate revenues from operations.

Historical production on the Borealis Property may not be indicative of the potential for future development.

The Borealis Mine actively produced gold in the 1980's, but we currently have no commercial production at the Borealis Property and have never recorded any revenues. You should not rely on the fact that there were historical mining operations at the Borealis Property as an indication that we will ever place the property into

6

commercial production. We expect to continue to incur losses unless and until such time, if ever, as our property enters into commercial production and generates sufficient revenues to fund our continuing operations. The development of new mining operations at the Borealis Property will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of our properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, our acquisition of additional properties, and other factors, many of which are beyond our control. We may not be able to place the Borealis Property into production or generate any revenues or achieve profitability.

Our exploration activities on the Borealis Property may not be commercially successful, which could lead us to abandon our plans to develop the property and our investments in exploration.

Our long-term success depends on our ability to identify additional mineral deposits on the Borealis Property and other properties we may acquire, if any, that we can then develop into commercially viable mining operations. Mineral exploration is highly speculative in nature, involves many risks and is frequently nonproductive. These risks include unusual or unexpected geologic formations, and the inability to obtain suitable or adequate machinery, equipment or labor. The success of gold exploration is determined in part by the following factors:

the identification of potential gold mineralization based on superficial analysis;

availability of government-granted exploration permits;

the quality of our management and our geological and technical expertise; and

the capital available for exploration.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which fluctuate widely; and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. We may invest significant capital and resources in exploration activities and abandon such investments if we are unable to identify commercially exploitable mineral reserves. The decision to abandon a project may have an adverse effect on the market value of our securities and the ability to raise future financing. We cannot assure you that we will discover or acquire any mineralized material in sufficient quantities on any of our properties to justify commercial operations.

Planned exploration, and, if warranted, development and mining activities on our Borealis Property involve a high degree of risk.

Our planned operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The parameters used in estimating mining and processing efficiency are based on testing and experience with previous operations. While the parameters used have a reasonable basis, various unforeseen conditions can occur that may materially affect the estimates. In particular, past operations indicate that care must be taken to ensure that proper ore grade control is employed and that proper steps are taken to ensure that the leaching operations are executed as planned.

If we make a decision to develop the Borealis Property, we plan to process the sulfide gold mineralization using technology that has been demonstrated to be commercially effective at other gold deposits in Nevada. These techniques may not be as efficient or economical as we project, and we may never achieve profitability.

A decline in gold prices may make it commercially unfeasible for us to develop our property and may cause our stock price to decline.

The value and price of our units, common shares and warrants, our financial results, and our exploration, development and mining activities may be significantly adversely affected by declines in the price of gold and other precious metals. Gold prices fluctuate widely and are affected by numerous factors beyond our control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of gold producing countries throughout the world. The price for gold fluctuates in response to many factors beyond anyone's ability to predict. The prices used in making the estimates in our plans differ from daily prices quoted in the news media. The percentage change in the price of a metal cannot be directly related to the estimated mineralized material quantities, which are affected by a number of additional factors. For example, a 10 percent change in price may have little impact on the estimated mineralized material quantities and affect only the resultant positive cash flow, or it may result in a significant change in the amount of mineralized material. Because mining occurs over a number of years, it may be prudent to continue mining

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

for some periods during which cash flows are temporarily negative for a variety of reasons including a belief that the low price is temporary and/or the greater expense incurred in closing a property permanently.

Mineralized material calculations and life-of-mine plans using significantly lower gold and precious metal prices could result in material write-downs of our investments in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting our mineralized material estimates and its financial condition, declining metal prices can impact operations by requiring a reassessment of the commercial feasibility of a particular project. Such a reassessment may be the result of a management decision related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

Declines in gold prices may cause our stock price to decline, which could cause you to lose money and make it difficult for us to raise capital on terms acceptable to us.

Title to the Borealis Property may be subject to other claims, which could affect our property rights and claims.

Although we believe we have exercised commercially reasonable due diligence with respect to determining title to properties we own or control and the claims that are subject to the Borealis mining lease, there is no guarantee that title to such properties will not be challenged or impugned. The Borealis Property may be subject to prior unrecorded agreements or transfers or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of the Borealis Property which, if successful, could impair development and/or operations. This is particularly the case in respect of those portions of the Borealis Property in which we hold our interest solely through a lease with the claim holders, as such interest is substantially based on contract and has been subject to a number of assignments (as opposed to a direct interest in the property).

All of the mineral rights to the Borealis Property consist of unpatented mining claims created and maintained in accordance with the U.S. General Mining Law. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the U.S. General Mining Law, including the requirement of a proper physical discovery of valuable minerals within the boundaries of each claim and proper compliance with physical staking requirements. Also, unpatented mining claims are always subject to possible challenges by third parties or validity contests by the federal government. The validity of an unpatented mining or millsite claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of U.S. federal and state statutory and decisional law. In addition, there are few public records that definitively determine the issues of validity and ownership of unpatented mining claims.

Estimates of mineralized materials at the Borealis Property are subject to geologic uncertainty and inherent sample variability, and actual mineralization encountered in further exploration and development could differ from these estimates.

Although the mineralization estimates at the Borealis Property have been delineated with appropriately spaced drilling, there is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There also may be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations. Acceptance of these uncertainties is part of any mining operation.

Reported mineralization contained in the prospectus are only estimates and samples which may be unreliable.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Although the mineralized material figures, including average gold grades and drill results, reported in this prospectus have been carefully prepared, these amounts are estimates and sample results only, and we cannot be certain that any specified level of recovery of gold or other mineral from mineralized material will in fact be realized or that the Borealis Property or any other identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body that can be economically exploited. Mineralized material, which is not mineral reserves, does not have demonstrated economic viability. Any material change in the quantity of mineralization, grade or stripping ratio, or the gold price may affect the economic viability of our properties. In addition, we cannot be certain that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Even though gold has been mined and successfully recovered for several years at the Borealis Property, until an unmined deposit is actually mined and processed the quantity of mineral reserves, if any, and grades must be considered as estimates only. In addition, the quantity of mineral reserves, if any, may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the Borealis Property. In addition, we cannot be certain that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

We currently depend on a single property – the Borealis Property.

Our only mineral property is the Borealis Property. Even though the Borealis Property encompasses several areas with known gold mineralization, unless we acquire additional properties or projects or discover additional deposits at the Borealis Property, we will be solely dependent upon the success of the Borealis Property as a source of future revenue and profits, if any. We cannot provide any assurance that we will establish any reserves or successfully commence mining operations on the Borealis Property or that we will ever obtain an interest in any other property with mineral potential in order to diversify our business.

Government regulation may increase costs or cause delay in our business and planned operations.

We believe that we currently comply with existing state and federal environmental and mining laws and regulations at the Borealis Property and that our proposed development of the property will also meet those standards. Our mining, processing, development and mineral exploration activities, if any, are subject to various laws governing prospecting, mining, development, production, taxes, labor standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. We cannot assure you that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail our exploration, production or development. At present, there is no royalty payable to the United States on production from unpatented mining claims, although legislative attempts to impose a royalty have occurred in recent years. Amendments to current laws and regulations governing operations and activities of exploration, development mining and milling or more stringent implementation thereof could have a material adverse impact on our business and financial condition and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production assuming we achieve production or require abandonment or delays in development of new mining properties.

We will require permits and approvals from the Bureau of Land Management, U.S. Forest Service, the State of Nevada, Nevada Bureau of Mining Regulation and Reclamation and other regulatory agencies in order to

implement our planned operations at the Borealis Property. See [United States Mining Laws](#) and [Permitting](#) for additional information. We have not obtained all of the required permits and governmental approvals for our planned operations at the Borealis Property, and we may require additional permits for future operations.

Government approvals and permits are currently, and may in the future be, required in connection with our operations, if any. We still require environmental operating permits, approval of our plan of operations and a water pollution control permit to commence development of our Borealis Property. To the extent other approvals are required and not obtained; we may be curtailed or prohibited from commencing or continuing mining operations or from proceeding with planned exploration or development of mineral properties.

Our operations are subject to environmental risks which could expose us to significant liability and delay, suspend or terminate our operations at the Borealis Property.

All phases of our operations, if any, will be subject to federal, state and local environmental regulation. See United States Mining Laws and Permitting for additional information. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. We cannot be certain that future changes in environmental regulation, if any, will not adversely affect our operations, if any. Environmental hazards may exist on the Borealis Property and on properties which we hold and may hold interests in the future that are unknown to us at present and that have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Production, if any, at our mines will involve the use of hazardous materials. Should these materials leak or otherwise be discharged from their containment systems then we may become subject to liability for hazards that we may not be insured against or for clean up work that may not be insured.

We will be required to locate mineral reserves for our long-term success.

Because mines have limited lives based on proven and probable mineral reserves, we will have to continually replace and expand our mineral reserves, if any, if and when the Borealis Property produces gold and other base or precious metals. Our ability to maintain or increase its annual production of gold and other base or precious metals once the Borealis Property is restarted, if at all, will be dependent almost entirely on its ability to bring new mines into production.

The Borealis Property has an estimated nominal mine life of approximately ten years, which is based solely on preliminary engineering studies and commodity price assumptions which may not be correct. An increasing gold price or discovery of additional mineralized material could have the effect of extending mine life; while a decreasing gold price could shorten mine life.

We do not insure against all risks which we may be subject to in our planned operations.

We currently maintain insurance to insure against general commercial liability claims and losses of equipment. Our insurance will not cover all the potential risks associated with a mining company's operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, we expect that insurance against risks such as environmental pollution or other hazards as a result of exploration and production may be prohibitively expensive to obtain for a company of our size and financial means. We might also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could negatively affect our financial condition and ability to fund our activities on the Borealis Property. A significant loss could force us to terminate our operations.

We compete with larger, better capitalized competitors in the mining industry.

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over us. We face strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than us. As a result of this competition, we may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms we consider acceptable or at all.

Our growth will require new personnel, which we will be required to recruit, hire, train and retain.

We are expecting significant growth in our number of employees if we determine that a mine at the Borealis Property is commercially feasible, we are able to raise sufficient funding and we elect to develop the property. This growth will place substantial demands on us and our management. Our ability to assimilate new personnel will be critical to our performance. We will be required to recruit additional personnel and to train, motivate and manage employees. We will also have to adopt and implement new systems in all aspects of our operations. This will be particularly critical in the event we decide not to use a contract miner at the Borealis Property. We have no assurance that we will be able to recruit the personnel required to execute our programs or to manage these changes successfully.

Our directors and officers may have conflicts of interest as a result of their relationships with other companies.

Certain of the directors and officers of Gryphon Gold have served as officers and directors for other companies engaged in natural resource exploration and development and may also serve as directors and/or officers of other companies involved in natural resource exploration and development. For example, Christopher Herald is the President and CEO of Crown Resources and Richard Hughes is President of Klondike Gold Corp. and a director of Alamos Gold Inc. Consequently, there is a possibility that our directors and/or officers may be in a position of conflict in the future.

We have offered units to the public in Canada under a Canadian prospectus which used standards for reporting mineralized material that are not permitted under United States reporting standards.

We used the terms measured mineral resources, indicated mineral resources and inferred mineral resources in our Canadian prospectus to comply with reporting standards in Canada. We advise investors that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission, or the SEC, does not recognize them and we have not reported them in this prospectus. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources, or inferred mineral resources referred to in our Canadian prospectus will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported measured mineral resources, indicated mineral resources, or inferred mineral resources in our Canadian prospectus is economically or legally mineable.

New legislation, including the Sarbanes-Oxley Act of 2002, may make it difficult for us to retain or attract officers and directors.

We may be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management as a result of the recent and currently proposed changes in the rules and regulations which govern publicly-held companies. Sarbanes-Oxley Act of 2002 has resulted in a series of rules and regulations by the Securities and Exchange Commission that increase responsibilities and liabilities of directors and executive officers. We are a small company with a very limited operating history and no revenues or profits, which may influence the decisions of potential candidates we may recruit as directors or officers. The perceived increased personal risk associated with these recent changes may deter qualified individuals from accepting these roles.

While we believe we have adequate internal control over financial reporting, we will be required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002, and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on the price of our shares of common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning with our annual report on Form 10-KSB for the fiscal year ended March 31, 2007, we may be required to furnish a report by management on our internal controls over financial reporting. Such report will contain, among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by our management. Such report must also contain a statement that our auditors have issued an attestation report on our management's assessment of such internal controls. Public Company Accounting Oversight Board Auditing Standard No. 2 provides the professional standards and related performance guidance for auditors to attest to, and report on, our management's assessment of the effectiveness of internal control over financial reporting under Section 404.

While we believe our internal control over financial reporting is effective, we are still compiling the system and processing documentation and performing the evaluation needed to comply with Section 404, which is both costly and challenging. We cannot be certain that we will be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that such internal control is effective. If we are unable to assert that our internal control over financial reporting is effective (or if our auditors are unable to attest that our management's report is fairly stated or they are unable to express an opinion on the effectiveness of our internal controls), we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on our stock price.

Failure to comply with the new rules may make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage and/or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as executive officers.

RISKS RELATED TO THIS OFFERING

Broker-dealers may be discouraged from effecting transactions in our common shares because they are considered a penny stock and are subject to the penny stock rules.

Rules 15c-1 through 15c-9 promulgated under the Exchange Act impose sales practice and disclosure requirements on certain brokers-dealers who engage in certain transactions involving a penny stock. Subject to certain exceptions, a penny stock generally includes any non-NASDAQ equity security that has a market price of less than \$5.00 per share. Our common stock is expected to trade below \$5.00 per share immediately upon closing of the offering. The additional sales practice and disclosure requirements imposed upon broker-dealers may discourage broker-dealers from effecting transactions in our shares, which could severely limit the market liquidity of the shares and impede the sale of our shares in the secondary market.

A broker-dealer selling penny stock to anyone other than an established customer or accredited investor, generally, an individual with net worth in excess of \$1,000,000 or an annual income exceeding \$200,000, or \$300,000 together with his or her spouse, must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the United States Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

In the event that your investment in our shares is for the purpose of deriving dividend income or in expectation of an increase in market price of our shares from the declaration and payment of dividends, your investment will be compromised because we do not intend to pay dividends.

We have never paid a dividend to our shareholders, and we intend to retain our cash for the continued development of our business. We do not intend to pay cash dividends on our common stock in the foreseeable future. As a result, your return on investment will be solely determined by your ability to sell your shares in a secondary market.

FORWARD-LOOKING STATEMENTS

We use words like expects, believes, intends, anticipates, plans, targets, projects or estimates in this prospectus. When used, these words and other, similar words and phrases or statements that an event, action or result will, may, could, or should occur, be taken or be achieved, identify forward-looking statements. This prospectus contains forward-looking information which may include, but is not limited to, statements with respect to the following:

- the timing and possible outcome of pending regulatory and permitting matters;
- the timing and outcome of our feasibility study;
- the parameters and design of our planned initial mining facilities on the Borealis Property;
- future financial or operating performances of Gryphon Gold, its subsidiaries, and its projects;
- the estimation of mineral resources and the realization of mineral reserves, if any, based on mineral resource estimates;
- the timing of exploration, development, and production activities and estimated future production, if any;
- estimates related to costs of production, capital, operating and exploration expenditures;
- requirements for additional capital and our ability to raise additional capital;
- government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses;
- title disputes or claims;
- limitations of insurance coverage; and
- the future price of gold, silver, or other minerals

Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including, the risks and uncertainties outlined under the sections titled Risk Factors and Uncertainties beginning at page 6 of this prospectus, Description of the Business beginning at page 48 of this prospectus and Management's Discussion and Analysis beginning at page 51 of this prospectus. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected.

Our management has included projections and estimates in this prospectus, which are based primarily on management's experience in the industry, assessments of our results of operations, discussions and negotiations with third parties and a review of information filed by our competitors with the Securities and Exchange Commission or otherwise publicly available. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

We qualify all the forward-looking statements contained in this prospectus by the foregoing cautionary statements.

USE OF PROCEEDS

We will not receive any proceeds from the sale or distribution of the common stock by the selling shareholders. We may receive proceeds from the exercise of the Class B, C, and D Warrants, upon exercise of these warrants, if any, and will use the proceeds from any exercise for general working capital purposes.

SELLING SHAREHOLDERS

This prospectus covers the offering of up to 21,525,685 shares of our common stock by selling shareholders this includes shares of our common stock acquirable upon warrants exercisable within 60 days of July 17, 2006.

The shares issued to the selling shareholders are restricted shares under applicable federal and state securities laws and are being registered to give the selling shareholders the opportunity to sell their shares. The registration of such shares does not necessarily mean, however, that any of these shares will be offered or sold by the selling shareholders. The selling shareholders may from time to time offer and sell all or a portion of their shares in the over-the-counter market, in negotiated transactions, or otherwise, at market prices prevailing at the time of sale or at negotiated prices.

The registered shares may be sold directly or through brokers or dealers, or in a distribution by one or more underwriters on a firm commitment or best efforts basis. To the extent required, the names of any agent or broker-dealer and applicable commissions or discounts and any other required information with respect to any particular offer will be set forth in an accompanying prospectus supplement. See Plan of Distribution beginning on page 30 of this prospectus. Each of the selling shareholders reserves the sole right to accept or reject, in whole or in part, any proposed purchase of the registered shares to be made directly or through agents. The selling shareholders and any agents or broker-dealers that participate with the selling shareholders in the distribution of their registered shares may be deemed to be underwriters within the meaning of the Securities Act of 1933, and any commissions received by them and any profit on the resale of the registered shares may be deemed to be underwriting commissions or discounts under the Securities Act of 1933.

We will receive no proceeds from the sale of the registered shares, but may receive proceeds from the exercise of warrants, if any. We have agreed to bear the expenses of registration of the shares, other than commissions and discounts of agents or broker-dealers and transfer taxes, if any.

SELLING SHAREHOLDER INFORMATION

The following is a list of the selling shareholders who own or have the right to acquire an aggregate of 15,239,685 shares of our common stock covered in this prospectus (this number does not include 6,286,000 shares underlying the exercise of Class A warrants issued in the Company's IPO and covered in this prospectus). Certain selling shareholders have the right to acquire shares of our common stock upon warrants sold in our private placements. See Transactions with Selling Shareholders beginning on page 40, below. At July 17, 2006, we had 41,048,870 shares of common stock issued and outstanding.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Mark Wayne(4) 1420-333 5th Avenue SW, Calgary AB, T2P 3B6	52,500	**	52,500	0	0%
Belltown Capital Partners(5) 437 J. Street, Ste #305 San Diego, CA, 92101	60,000	**	60,000	0	0%
BHL LP(6) 4 Watchhill Road, Westport, CT, 06880	225,000	**	225,000	0	0%
Forza Partners LP(7) 2754 NW Crossing Drive, Suite 205 Bend, Oregon, 97701	165,000	**	165,000	0	0%
Derik Ventures Ltd.(8) PO Box 68, Station A Vancouver, BC, V6C 2L8	450,000	**	300,000	150,000	**
Top-Gold AG MVK(9) Herrengasse 2, 9490 Vaduz/ Principality of Liechtenstein	2,250,000	5.38	2,250,000	0	0%
Ross MacDonald(10) 1700-666 Burrard St Vancouver, BC, V6C 2L8	37,750	**	30,750	7,000	**
Tianne Pringle(11) Ballymakeera Macroom Ireland	41,250	**	30,750	16,500	**
Lorne Pringle(12) Ballymakeera Macroom, Ireland	41,250	**	30,750	16,500	**
Alan Hamilton(13) 5B-1596 West 14th Ave Vancouver, BC, V6J 2H9	72,750	**	30,750	42,000	**
Janice Gill(14) 8337 Tidewater Place Vancouver, BC, V6P 6R3	38,750	**	30,750	8,000	**
Don Walker(15) 337 Magna Dr. Aurora, ON, L4G 7K1	98,250	**	62,250	36,000	**
Joan Weisshaar(16) 15180 Bathurst St King City, ON, L7B 1K5	40,750	**	30,750	10,000	**
Huntington Properties(17) 1700-1030 West Georgia St Vancouver, BC, V6E 2Y3	117,000	**	93,000	24,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
Lenita Levine(18) 550 W. St. Janes Road North Vancouver, BC, V7W 2P7	30,750	**	30,750	0	0%
Robert Levine(19) 550 W. St. Janes Road North Vancouver, BC, V7W 2P7	30,750	**	30,750	0	0%
Montrose Development(20) 910-675 West Hastings Street Vancouver BC, V6B 1N2	60,000	**	60,000	0	0%
Mary Christopher(21) 910-675 West Hastings Street Vancouver BC, V6B 1N2	50,000	**	30,000	20,000	**
Eva Christopher(22) 910-675 West Hastings Street Vancouver BC, V6B 1N2	52,500	**	30,000	22,500	**

15

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Zoltan Keresztes(23) 2294 129th Street Surrey, BC, V4A 8B9	45,750	**	30,750	15,000	**
Edward Coates(24) 4152 Ranger Cres North Vancouver, BC, V7B 3K9	41,250	**	30,750	10,500	**
Laura Hardacre(25) 5612 Holland St Vancouver, BC, V6N 2A8	41,250	**	30,750	10,500	**
Katherine Karbownik(26) 27 North Sherbourne, Apt. 3 Toronto, ON, M4W 2T3	22,000	**	15,000	7,000	**
Richard Karbownik(27) 27 North Sherbourne, Apt. 3 Toronto, ON, M4W 2T3	35,750	**	15,750	20,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering			After Offering	
Peter Finley(28) 4429 Angus Dr. Vancouver, BC, V6J 4J2	40,750	**	30,750	10,000	**
Leonard Gareau(29) 1270 Pacific Drive, Delta, BC, V4M 4B1	56,000	**	28,500	27,500	**
Universal Soutions Inc.(30) 610-815 W. Hastings Street, Vancouver, BC, V6C 3A6	37,500	**	37,500	10,000	**
Metcalfe Investments Ltd.(31) 5355 Elm Street, Vancouver, BC, V6N 1A2	50,000	**	30,000	20,000	**
Robert Coulthard(32) 1 Gillian Cres St. Albert, AB, T8N 0V9	6,750	**	6,750	0	0%
James Anderson(33) 564-1055 Dunsmuir St Vancouver, BC, V7X 1L4	47,250	**	47,250	0	0%
Leslie J. Avigdor(34) 104-1544 George St White Rock, BC, V4B 4A5	22,500	**	22,500	0	0%
Percy Baker(35) 1315 Killeam Ave SW Calgary, AB, T2V 2N5	160,000	**	150,000	10,000	**
Mike Boyd(36) 1-242 West 4th Street, North Vancouver, BC, V7M 1H7	7,500	**	7,500	0	0%
John Freeman(37) 1221 Turnberry Place Parksville, BC, V9P 2W3	57,500	**	37,500	20,000	**
Paul McKenzie(38) 525-999 West Hastings St Vancouver, BC, V6C 2W2	30,000	**	30,000	0	0%
Warren Stanyer(39) 1007-808 Nelson Street Vancouver, BC, V6C 2W2	38,000	**	30,000	8,000	**
Sado D. Turbat(40) C/O Mine Info Co Ltd Delta Center, Urt Tasagaan St, Suite 300-301 Ulaanbaatar, 976, Mongolia	45,000	**	45,000	0	0%
John Wright(41) Box 107333 Llyodminster, AB, T9V 3A8	15,000	**	15,000	0	0%
Bansco & Co.(42) 40 King Street West, Toronto, ON, M5H 1H1	225,000	**	225,000	0	0%

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering			After Offering	
Sprott Asset Management(43) 2700-200 Bay St Toronto, ON, M5J 2J1	1,671,000	3.93	474,000	1,197,000	2.82%

16

Name	Before Offering		Number of Shares Offered (2)	After Offering	
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)		Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Sprott Asset Management(44) 2700-200 Bay St Toronto, ON, M5J 2J1	1,822,200	4.35	625,200	1,197,000	2.82%
Sprott Asset Management(45) 2700-200 Bay St Toronto, ON, M5J 2J1	1,225,000	2.94	36,000	1,197,000	2.82%
Sprott Asset Management(46) 2700-200 Bay St Toronto, ON, M5J 2J1	1,225,000	2.94	36,000	1,197,000	2.82%
Sprott Asset Management(47) 2700-200 Bay St Toronto, ON, M5J 2J1	1,204,200	2.89	7,200	1,197,000	2.82%
Sprott Asset Management(48) 2700-200 Bay St Toronto, ON, M5J 2J1	1,218,600	2.93	21,600	1,197,000	2.82%
Sentry Select Precious Metals Growth Fund(49) 130 King St. West, Suite 2850 Toronto, ON, M5X 1A4	1,200,000	2.90	1,200,000	0	0%
Parvathi Evani(50) 30930 Polar Avenue Abbotsford, BC, V4X 1Y8	87,500	**	37,500	50,000	**
Subbarao Evani(51) 30930 Polar Avenue Abbotsford, BC, V4X 1Y8	120,000	**	45,000	75,000	**
Janet Hardy(52) 10823-136 St Edmonton, AB, T5M 1M1	42,500	**	22,500	20,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering			After Offering	
Tadahiro Kanazaki(53) 3-7-17 Ibukino, Izumi-shi Osaka, Japan 594-0041	100,000	**	45,000	55,000	**
Marilyn Lea(54) Box 210 Ganges PO Salt Spring Island, BC, V8K 2V9	37,500	**	37,500	0	0%
Peppy Holdings Ltd(55) 434-5th Avenue Stirling, AB, T0K 2E0	47,600	**	37,500	10,100	**
Robert Heffel(56) 2247 Granville St Vancouver, BC, V6H 3G1	57,000	**	30,000	27,000	**
Lorill Harlington(57) 2280 Lythe Court West Vancouver, BC, V7S 3H8	135,000	**	135,000	0	0%
Alfonso Ergas(58) 1520-1185 West George St Vancouver, BC, V6E 4E6	44,000	**	22,500	21,500	**
Pinetree Resource Partnership(59) 130 King Str. West, Suite 2810 Toronto, ON, M5X 1A9	600,000	**	300,000	300,000	**
David Watkins(60) 510 Burrard St, Suite 510 Vancouver, BC, V6B 5C6	37,500	**	37,500	0	0%
Sanovest Holdings Ltd(61) 411-375 Water Street Vancouver, BC, V6B 5C6	82,500	**	82,500	0	0%
Standard Bank Jersey as Custodian of the Belgravia Gold & Resource Fund(62) PO Box 583, 47-49 La Motte Street St. Helier, Jersey, UK JE4 8X	304,000	**	300,000	4,000	**
Grey Goose Investments(63) 300-455 Granville St Vancouver, BC, V6C 1T1	240,000	**	240,000	0	0%
Strata Partners, LLC(64) 219 Lake Street S, Suite C Kirkland, WA 98033	22,500	**	22,500	0	0%

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Bolder Investment Partners Ltd(65) 800-1450 Creekside Dr Vancouver, BC, V6J 5B3	563,500	1.35	216,750	346,750	**
Richardson Partners FinancialLtd(66) 1100-1 Lombard Place Winnipeg, MB, R3B 0X3	33,750	**	33,750	0	0%
Research Capital USA Inc.(67) 199 Bay Street, Suite 4500 Toronto, ON, M4G 3H6	7,500	**	7,500	0	0%
Elizabeth Anderson(68) 5369 Blueberry Lane Vancouver, BC, V7R 4N5	130,000	**	10,000	120,000	**
Joseph L Antrim(69) 901 East Cary St - One James Centre Richmond, VA 23219	130,000	**	50,000	80,000	**
Beverly Wilkes Armstrong Revocable Trust, dated June 15, 1997, as amended(70) 1500-901 East Cary St Richmond VA, 23219	260,000	**	100,000	160,000	**
John Barrett(71) 1107-1060 Alberni St Vancouver, BC, V6E 4K2	370,000	**	40,000	330,000	**
Michael S Beall(72) 1100-901 East Cary St One James Centre, Richmond, VA 23219	52,000	**	20,000	32,000	**
Bolder Opportunites I LP(73) 800-1450 Creekside Dr, Vancouver, BC, V6J 5B3	1,650,000	4.00	250,000	1,400,000	3.41%
C. Channing Buckland(74) 4399 Locarno Cres, Vancouver, BC, V6R 1G2	375,000	**	125,000	250,000	**
Bukchuk Holdings Ltd(75) 800-1450 Creekside Dr, Vancouver, BC, V6J 5B3	300,000	**	100,000	200,000	**
Catherine Christopher(76) 442 Graphton St, Victoria, BC, V9A 6S3	36,750	**	12,250	24,500	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
Douglas Christopher(77) 910-675 West Hastings St, Vancouver, BC, V6B 1N2	22,500	**	6,000	16,500	**
Gordon Christopher(78) 910-675 West Hastings St, Vancouver, BC, V6B 1N2	90,000	**	30,000	60,000	**
Maurice (Tim) Coates(79) Apartado 3548-1000, San Jose, Costa Rica, Central America	150,000	**	50,000	100,000	**
Wayne Crocker(80) 750 Grand Blvd, North Vancouver, BC, V7L 3W4	7,500	**	2,500	5,000	**
Keith Cross(81) 800-1285 West Pender St., Vancouver, BC, V6E 4B1	62,500	**	22,500	45,000	**
Michael Joseph Delesalle(82) 2960 West 33rd Avenue,	30,000	**	10,000	20,000	**
Winton Derby(83) 1300-777 Dunsmuir, Vancouver, BC, V7Y 1K2	75,000	**	25,000	50,000	**
Derik Ventures Ltd(84) PO Box , Station A, Vancouver, BC, V6C 2L8	350,000	**	50,000	300,000	**
Manas Dichow(85) 2434-1055 Dunsmuir St, Vancouver, BC, V7X 1K8	15,000	**	5,000	10,000	**

18

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Don Drozdowski(86) 59615 Glacier Ridge South, Washington, MI 48094	30,000	**	10,000	20,000	**
Brian Elkow(87)	300,000	**	50,000	250,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
55 Ravine Dr, PO Box 570, Whitecourt, AB, T7S 1N6					
Glenn M. & DeAnne M. Elo(88) 9233 Nantwick Ridge, Brooklin Park, MN 55443	33,000	**	11,000	22,000	**
EWF Partners(89) 901 East Cary St - One James Centre Richmond, VA 23219	975,000	2.35	375,000	600,000	1.46%
Richard Fransen(90) 5106 E Tuscany Ct, Highlands Ranch, CO 80130	67,500	**	22,500	45,000	**
Leonard Gareau(91) 564-1055 Dunsmuir St, Vancouver, BC, V7X 1L4	56,000	**	12,500	43,500	**
Grandson of EWR LLC(92) 901 East Cary St - One James Centre Richmond, VA 23219	325,000	**	125,000	200,000	**
Harriet Rae Green(93) 6632 Cabeldu Cres North Delta, BC	18,000	**	6,000	12,000	**
Alexander J. Gunow & Nancy Moores Gunow JT(94) 67 Cedarwald Rochester, MI 48306	175,462	**	38,462	137,000	**
Jennifer A Gunow(95) 54127 Salem Drive, Shelby TWP, MI 48316	1,500	**	500	1,000	**
Robert F Gunow II (JR)(96) 54127 Salem Drive, Shelby TWP, MI 48316	52,500	**	17,500	35,000	**
Robert F Gunow III(97) 54127 Salem Drive, Shelby TWP, MI 48316	1,500	**	500	1,000	**
Suzu Hahn(98) 1688 Stanhope Pl Victoria, BC, V8P 1Y1	45,000	**	15,000	30,000	**
Halcorp Capital(99) 7928 Rowland Rd Edmonton, AB, T6A 3W1	75,000	**	25,000	50,000	**
Jim Hamilton(100) 45 West Battle St Kamloops, BC, V2C 1G7	23,250	**	7,750	15,500	**
Rohan Hazelton(101) 1560-200 Burrard St Vancouver, BC, V6C 3B6	180,000	**	10,000	170,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
Howard Jones Holdings Inc(102) 100-510 Burrard St Vancouver, BC, V6C 3A8	15,000	**	5,000	10,000	**
Sharon Ivany(103) 1160 Chapman St Victoria, BC, V8V 2T6	625,000	1.52	175,000	450,000	1.10%
R. Walter Jones IV(104) 901 East Cary St - One James Centre Richmond, VA 23219	130,000	**	50,000	80,000	**
Jones Gable & CO(105) 600-110 Yonge St Toronto, ON, M5C 1T6	50,000	**	50,000	0	0%
Yasmin Ker(106) 607 Kenwood Road West Vancouver, BC, V7S 1S7	155,000	**	50,000	105,000	**

19

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Nikki Kottmeier(107) 100 Stonegate Dr Furry Creek, BC, V0N 3Z2	30,000	**	10,000	20,000	**
Calvin Lee(108) 1862 Crystal St Quesnel, BC, V2J 4R8	15,000	**	5,000	10,000	**
Bruce Warren Lemer(109) 4768 Collingwood St Vancouver, BC, V6S 2B4	90,000	**	20,000	70,000	**
Ronald William (Bill) Lewis(110) 1680 Edwards Rd, PO Box 411, Brakendale, BC, V0N 1H0	628,400	1.53	97,000	531,400	1.29%
William J Logan(111) 27 Alexandra Blvd Toronto, ON, M4R 1L8	195,000	**	65,000	130,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering			After Offering	
James Malcolm(112) 2100-801 6th Ave SW Calgary, AB, T2P 3W2	288,462	**	96,154	192,308	**
R. William Manning(113) 29858 Park Village Dr Evergreen, CO 80439	60,000	**	20,000	40,000	**
Mike Martin(114) 105-949 Cloverdale Ave Victoria, BC, V8X 2T4	18,000	**	6,000	12,000	**
Larry D Mattison(115) PO Box 253, 7933 Louviers Blvd Louviers, CO 80131	107,250	**	35,750	71,500	**
Leigh M. McAlister(116) 1609 Manana St Austin, TX 78730	75,000	**	25,000	50,000	**
Martin McLeod(117) 16055 Morgan Creek Cres Surrey, BC, V3S 0J2	90,000	**	30,000	60,000	**
Ken Mellquist(118) 1190 Renton Pl West Vancouver, BC, V7S 2K7	90,000	**	30,000	60,000	**
Donald Mironov(119) PO Box 533, 131 Main St Franklin, GA 30217	23,000	**	7,750	15,500	**
Montrose Developments(120) 910-675 West Hastings St Vancouver, BC, V6B 1N2	240,000	**	80,000	160,000	**
Munday Home Sales(121) 206-4400 Dominion St Burnaby, BC, V5G 4G3	650,000	1.58	50,000	600,000	1.46%
Sentry Select Canadian Resource Fund(122) 2850-130 King St West Toronto, ON, M5X 1A4	1,440,000	3.47	480,000	960,000	2.34%
John E. Oldham(123) 45 Winchester Ave Spruce Grove, AB, T7X 1L6	37,500	**	12,250	25,000	**
Peter Olnowich(124) 77 Treadwell Avenue Madison, New Jersey 07940	150,000	**	50,000	100,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)
Debra Osuch(125) 52322 Belle Arbor Shelby Township, MI 48316	7,500	**	2,500	5,000	**
Kay C. Owen(126) 7933 Louviers Blvd, PO Box 253 Louviers, CO 80131	105,000	**	35,000	70,000	**
Joy Danielle Mattison Owen(127) 539 South Graut Street Denver, CO 80209	7,500	**	2,500	5,000	**
Todd L. Owen(128) 539 South Graut Street Denver, CO 80209	7,500	**	2,500	5,000	**
Duane Lauri Paloranta(129) 14500 Chateau Lane Burnsville, Minnesota 55306	30,000	**	10,000	20,000	**
E. Bryson Powell(130) 285 River Road West Manakin Sabot, VA 23103	260,000	**	100,000	160,000	**
Donald E. Ranta(131) 309 Parkview Avenue Golden, CO 80401	862,000	2.08	30,000	832,000	2.01%
Eric Donald Ranta(132) 323 Mississippi St San Francisco, CA 94107	100,000	**	25,000	75,000	**
Karin Ranta-Curran(133) 2335 Akron St Denver CO 80238	40,000	**	5,000	35,000	**
Kristine D. Ranta(134) 2641 Alton St Denver, CO 80238	42,307	**	5,769	36,538	**
Linda B Ranta(135) 309 Parkview Avenue Golden, CO 80401	169,000	**	50,000	119,000	**
Douglas B Rappley(136) c/o Susan Rappley Strang, 120 Southport	11,538	**	3,846	7,692	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
Williamsburg, VA 23188					
John B. Reid(137) 2320 Mclellan Ave Richmond, BC, V6X 2N7	15,000	**	5,000	10,000	**
George Roberts(138) 725 Hampstead Close Annacis Island Delta, BC, V3M 6R6	42,500	**	2,500	40,000	**
Daniel C. Silva(139) 12925 W. Arlington Pl Littleton, CO 80127	67,500	**	22,500	45,000	**
Nicolas Sitar(140) 2012-8888 Riverside Dr. E Windsor, ON, N85 1H2	15,000	**	5,000	10,000	**
Vera Sitar(141) 2012-8888 Riverside Dr. E Windsor, ON, N85 1H2	60,000	**	20,000	40,000	**
Dennis Skulsky(142) 200 Granville Str Vancouver, BC, V6C 3N3	30,000	**	10,000	20,000	**
David Smyth(143) 1403-989 Richards Street Vancouver, BC, V6B 6R6	82,500	**	2,500	80,000	**
Son of EWF Partners(144) 901 East Cary St - One James Centre Richmond, VA 23219	650,000	1.57	250,000	400,000	**
Standard Bank PLC(145) Cannon Bridge House 25 Dowgate Hill London, UK EC4R 2SB	5,769,231	13.42	1,923,077	3,846,154	9.37%

Name	Before Offering		After Offering		
	Total Number of Shares Beneficially Owned(1)	Percentage of Shares Owned(1)	Number of Shares Offered (2)	Shares Owned After Offering(3)	Percentage of Shares owned After Offering(3)

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering			After Offering	
James R. Steel(146) 1 The Kingway Toronto, ON, M8X 2S9	85,193	**	21,731	63,462	**
Roger Steininger(147) 3401 San Mateo Ave Reno, NV 89509	240,000	**	30,000	210,000	**
Roderick Stewart(148) 305-1571 Mortimer St Victoria, BC, V8P 3A7	15,000	**	5,000	10,000	**
Roger Stratton(149) 1061 Marinasids Cres Vancouver, BC, V6Z 3A5	45,000	**	15,000	30,000	**
Brian and Patricia Testo(150) Comp 2, Site 17 Peers, AB, T0E 1W0	120,000	**	10,000	110,000	**
Donald Tregear(151) 762 Goldstream Ave Victoria, BC, V9B 2X3	22,500	**	7,500	15,000	**
Dan Treleaven(152) 318-6505 3rd Ave Delta, BC, V4L 2N1	37,500	**	12,500	25,000	**
Glenda Treleaven(153) 318-6505 3rd Ave Delta, BC, V4L 2N1	37,500	**	12,500	25,000	**
Paul B Trost(154) 25271 Golden Gate Canyon Rd Golden, CO 80401	33,900	**	11,300	22,600	**
Unitywest Captial Markets LTD(155) 410-744 W Hastings St Vancouver, BC, V6C 1AS	30,000	**	10,000	20,000	**
James Warmack(156) 1609 Manana St Austin, TX 78730	375,000	**	125,000	250,000	**
Susan Whaley(157) 4613 W. 8th Ave Vancouver, BC, V6R 2A6	187,500	**	62,500	125,000	**
Karen White(158) 52448 Belle Arbor Shelby Township, MI 48316	6,000	**	2,000	8,000	**
Maureen Wielens(159) 204-1817 Yew St Vancouver, BC, V6M 3G1	11,538	**	3,846	1,692	**
Widol Holdings(160) 1680 Edwards Rd, PO Box 411 Brakendale, BC, V0N 1H0	64,500	**	21,500	43,000	**

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

Name	Before Offering		After Offering		
Richard David Williams(161) 800-625 Howe St Vancouver, BC, V6C 2T6	15,000	**	5,000	10,000	**
Kent Williamson(162) 15086 Royal Ave White Rock, BC, V4B 1L9	60,000	**	20,000	40,000	**
WKW I Limited Partnership(163) 800-1450 Creekside Dr Vancouver, BC, V6J 5B3	300,000	**	100,000	200,000	**
Coleman Wortham(164) 901 East Cary St - One James Centre Richmond, VA 23219	130,000	**	50,000	80,000	**
Coleman Wortham III(165) 901 East Cary St - One James Centre Richmond, VA 23219	650,000	1.57	250,000	400,000	**
Virginia B Wortham(166) 901 East Cary St - One James Centre Richmond, VA 23219	130,000	**	50,000	80,000	**
Bolder Investment Partners(167) 800-1450 Creekside Drive Vancouver, BC, V6J 5B3	346,750	**	130,000	216,750	**
Michael Longinotti(168) 810-1130 West Pender St Vancouver, BC, V6E 4A4	150,000	**	150,000	0	0%
Rajwant Kang(169) 810-1130 West Pender St Vancouver, BC, V6E 4A4	43,500	**	43,500	0	0%

** Designates a percentage of ownership of less than 1%

- (1) All percentages are based on 41,048,870 shares of common stock issued and outstanding on July 17, 2006. Beneficial ownership is calculated by the number of shares of common stock that each selling shareholder owns or controls or has the right to acquire within 60 days of July 17, 2006.
- (2) This table assumes that each shareholder will sell all of its shares available for sale during the effectiveness of the registration statement that includes this prospectus. Selling shareholders are not required to sell their shares. See *Plan of Distribution* beginning on page 32.
- (3) Assumes that all shares registered for resale by this prospectus have been issued and sold.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (4) Includes 35,000 shares of common stock and 17,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc., 1410-1010 Rue De La Gauchetiere O, Montreal, QC, H3B 5J2, in trust for Mark Wayne, who exercises sole voting control and dispositive power over these securities.
- (5) Includes 40,000 shares of common stock and 20,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Robert S. Tarangelo, in his capacity as portfolio manager of Belltown Capital, L.P., exercises sole voting control and dispositive power over these securities.
- (6) Includes 150,000 shares of common stock and 75,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Brad Lamensdorf in his capacity as portfolio manager for BHL LP exercises sole voting control and dispositive power over these securities.
- (7) Includes 110,000 shares of common stock and 55,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. David Atkinson in his capacity as portfolio manager for Forza Partners LP exercises sole voting control and dispositive power over these securities.
- (8) Includes 200,000 shares of common stock and 100,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. G. David Eriks in his capacity as President of Derik Ventures Ltd. exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 100,000 shares of common stock and 50,000 shares of common stock acquirable upon exercise of warrants.
- (9) Includes 1,500,000 shares of common stock and 750,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Dr. Rene Juchler and Jurgen Frick in their capacity as Managing Director and Vice President of Top-Gold AG M V K exercises sole voting control and dispositive power over these securities.
- (10) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,000 shares of common stock and 2,000 shares of common stock acquirable upon exercise of warrants.
- (11) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 7,000 shares of common stock and 3,500 shares of common stock acquirable upon exercise of warrants.
- (12) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,000 shares of common stock and 2,000 shares of common stock acquirable upon exercise of warrants.
- (13) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 25,000 shares of common stock and 17,000 shares of common stock acquirable upon exercise of warrants.
- (14) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 2,000 shares of common stock and 6,000 shares of common stock acquirable upon exercise of warrants.
- (15) Includes 41,500 shares of common stock and 20,750 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 18,000 shares of common stock and 18,000 shares of common stock acquirable upon exercise of warrants.
- (16) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of warrants.
- (17) Includes 62,000 shares of common stock and 31,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for Huntington Properties. Equity included in beneficial ownership total but not being registered under this statement include 12,000 shares of common stock and 12,000 shares of common stock acquirable upon exercise of warrants. Andrew Grant in his capacity as President to Huntington Properties exercises sole voting control and dispositive power over Huntington Properties respective securities.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (18) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (19) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (20) Includes 40,000 shares of common stock and 20,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for Montrose Development. Douglas A. Christopher in his capacity as President to Montrose Development exercises sole voting control and dispositive power over these securities.

23

-
- (21) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 10,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of warrants.
 - (22) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 14,000 shares of common stock and 8,500 shares of common stock acquirable upon exercise of warrants.
 - (23) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 10,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of warrants.
 - (24) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 7,000 shares of common stock and 3,500 shares of common stock acquirable upon exercise of warrants.
 - (25) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,500 shares of common stock and 5,000 shares of common stock acquirable upon exercise of warrants.
 - (26) Includes 10,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 7,000 shares of common stock.
 - (27) Includes 10,500 shares of common stock and 5,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 10,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of warrants.
 - (28) Includes 20,500 shares of common stock and 10,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by NBCN Clearing Inc. in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of warrants.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (29) Includes 19,000 shares of common stock and 9,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. The named individual exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 15,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of warrants.
- (30) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Richard Silas in his capacity as President to Universal Solutions Inc. exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 5,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of warrants.
- (31) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Alan Fowles in his capacity as President and Secretary to Metcalfe Investments Ltd. exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 20,000 shares of common stock.
- (32) Includes 4,500 shares of common stock and 2,250 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Research Capital Corporation, 1500-222 Bay Street, Toronto, ON, M5K 1J5, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (33) Includes 31,500 shares of common stock and 15,750 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Research Capital Corporation, 1500-222 Bay Street, Toronto, ON, M5K 1J5, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (34) Includes 15,000 shares of common stock and 7,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (35) Includes 100,000 shares of common stock and 50,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 10,000 shares of common stock.
- (36) Includes 5,000 shares of common stock and 2,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (37) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 20,000 shares of common stock acquirable upon exercise of warrants.
- (38) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (39) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 8,000 shares of common stock. (40) Includes 30,000 shares of common stock and 15,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (41) Includes 10,000 shares of common stock and 5,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (42) Includes 150,000 shares of common stock and 75,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006.
- (43) Includes 316,000 shares of common stock and 158,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held in trust by Sprott Securities Inc., Suite 2750, South Tower, Royal Bank Plaza, Toronto, ON, M5J 2J2, for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer to Sprott Asset Management exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (44) Includes 416,800 shares of common stock and 208,400 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by the Royal Trust Corporation, South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer to Sprott Asset Management who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (45) Includes 24,000 shares of common stock and 12,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by the Royal Trust Corporation, South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer to Sprott Asset Management who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (46) Includes 24,000 shares of common stock and 12,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by the Royal Trust Corporation, South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer to Sprott Asset Management who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (47) Includes 4,800 shares of common stock and 2,400 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by the Royal Trust Corporation, South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer to Sprott Asset Management who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (48) Includes 14,400 shares of common stock and 7,200 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Roytor & Co., South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for Sprott Asset Management. Neil Nenadovic in his capacity as Chief Financial Officer for Sprott Asset Management exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement include 597,000 shares of common stock and 600,000 shares of common stock acquirable upon exercise of warrants.
- (49) Includes 800,000 shares of common stock and 400,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Roytor & Co., South Tower, Royal Bank Plaza, 200 Bay Street, SL Level, Toronto, ON, M5J 2J5, in trust for A/C T12313721. Glenn MacNeill in his capacity as Vice President Investments for Sentry Select Precious Metals Growth Fund exercises sole voting control and dispositive power over these securities.
- (50) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 50,000.
- (51) Includes 30,000 shares of common stock and 15,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 75,000 shares of common.
- (52) Includes 15,000 shares of common stock and 7,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 20,000 shares of common stock.
- (53) Includes 30,000 shares of common stock and 15,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 27,500 shares of common stock and 27,500 shares of common stock acquirable upon exercise of warrants.

- (54) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (55) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc. in trust for Peppy Holdings Ltd. David Steed in his capacity as President to Peppy Holdings Ltd. exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 10,100 shares of common stock.
- (56) Includes 20,000 shares of common stock and 10,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 20,000 shares of common stock and 7,000 shares of common stock acquirable upon exercise of warrants.
- (57) Includes 90,000 shares of common stock and 45,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.
- (58) Includes 15,000 shares of common stock and 7,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 10,000 shares of common stock and 11,500 shares of common stock acquirable upon exercise of warrants.
- (59) Includes 200,000 shares of common stock and 100,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Gundyco, 161 Bay Street, 10th Floor, Toronto, ON, M5J 2S8, in trust for Pinetree Resource Partnership. Sheldon Inwentash in his capacity as Chairman and CEO to Pinetree Resource Partnership exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 300,000 shares of common stock.
- (60) Includes 25,000 shares of common stock and 12,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc., 2000-400 Burrard Street, Vancouver, BC, V6C 3A6, in trust for the named individual, who exercises sole voting control and dispositive power over these securities.

25

-
- (61) Includes 55,000 shares of common stock and 27,500 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Investor Company, 77 Bloor Street West, 3rd Floor, Toronto, ON, M4Y 2T1, in trust for Sanovest Holdings Ltd. Tian Kusumto in his capacity as Vice President to Sanovest Holdings Ltd. exercises sole voting control and dispositive power over these securities.
 - (62) Includes 200,000 shares of common stock and 100,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. Held by Roytor & Co. in trust for Standard Bank of Jersey. Ron Mitchell of Standard Bank of Jersey exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 2,000 shares of common stock and 2,000 shares of common stock acquirable upon exercise of warrants.
 - (63) Includes 160,000 shares of common stock and 80,000 shares of common stock acquirable upon exercise of Series B Warrants within 60 days of July 17, 2006. These shares are held by Haywood Securities Inc. in trust for Grey Goose Investments. Jerome J. Rak in his capacity as President to Grey Goose Investments exercises sole voting control and dispositive power over these securities.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (64) Includes shares of common stock acquirable upon exercise of Series C Warrants within 60 days of July 17, 2006. Rhett Gustafson in his capacity as Managing Partner to Strata Partners, LLC exercises sole voting control and dispositive power over these securities.
- (65) Includes shares of common stock acquirable upon exercise of Series C Warrants within 60 days of July 17, 2006. C. Channing Buckland in his capacity as Chairman and CEO to Bolder Investment Partners Financial Ltd. exercises sole voting control and dispositive power over these securities. Equity included in beneficial ownership total under this statement includes 130,000 shares of pre-IPO compensation warrants, being registered below, and 216,750 shares of common stock acquirable upon exercise of warrants not being registered hereunder. Bolder Investment Partners acted as an underwriter for the Company's IPO.
- (66) Includes shares of common stock acquirable upon exercise of Series C Warrants within 60 days of July 17, 2006. Murray Bockhold in his capacity as First Vice President and Investment Advisor to Richardson Partners Financial Ltd. exercises sole voting control and dispositive power over these securities.
- (67) Includes shares of common stock acquirable upon exercise of Series C Warrants within 60 days of July 17, 2006. David Keating in his capacity as Vice President to Research Capital USA Inc. exercises sole voting control and dispositive power over these securities.
- (68) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 120,000 shares of common stock.
- (69) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 80,000 shares of common stock.
- (70) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. Beverly Wilkes Armstrong in her capacity as trustee for Beverly Wilkes Armstrong Revocable Trust has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 160,000 shares of common stock.
- (71) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 330,000 shares of common stock.
- (72) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 32,000 shares of common stock.
- (73) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. C. Channing Buckland in his capacity as President for Bolder Opportunities I LP has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 1,400,000 shares of common stock.
- (74) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 250,000 shares of common stock.
- (75) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. C. Channing Buckland and Henry Ewanchuk in their capacity as President and Vice President for Bukchuk Holdings Ltd. has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 200,000 shares of common stock.
- (76) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 24,500 shares of common stock.
- (77) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. Held by NBCN Clearing Inc. in trust for Douglas Christopher, who has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 16,500 shares of common stock.
- (78) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 60,000 shares of common stock.
- (79) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 100,000 shares of common stock.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (80) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on June 22, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 5,000 shares of common stock.

26

-
- (81) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 45,000 shares of common stock.
- (82) Includes shares of common stock acquirable upon exercise of warrants issued on April 25, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 20,000 shares of common stock.
- (83) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 50,000 shares of common stock.
- (84) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. G. David Eriks in his capacity as President for Derik Ventures Ltd. has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 300,000 shares of common stock.
- (85) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 10,000 shares of common stock.
- (86) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 20,000 shares of common stock.
- (87) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 250,000 shares of common stock.
- (88) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individuals have joint voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 22,000 shares of common stock. DeAnne Elo's brother, Don Ranta, is current director and consultant and previous employee to Gryphon Gold.
- (89) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. Michael S. Beall in his capacity as Portfolio Manager for EWF Partners has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 600,000 shares of common stock.
- (90) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 45,000 shares of common stock.
- (91) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 34,000 shares of common stock and 9,500 shares acquirable upon exercise of warrants.
- (92) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on April 1, 2005. Coleman Wortham III in his capacity as Portfolio Manager for Grandson of EWF LLC has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 200,000 shares of common stock.

Edgar Filing: GRYPHON GOLD CORP - Form SB-2

- (93) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005. The named individual has sole voting control and dispositive power over these securities. Equity included in beneficial ownership total but not being registered under this statement includes 12,000 shares of common stock.
- (94) Includes shares of common stock acquirable upon exercise of pre-IPO warrants issued on January 26, 2005 and April 1, 2005. The named individuals exercise joint voting co