

ASX Release

Thursday 19th January 2012

**SIGNATURE METALS
LIMITED**
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Issued Capital:
 2,705 million shares

ASX Symbol: SBL

CRUSHING PLANT FULLY OPERATIONAL

Signature Metals Limited is pleased to announce that the crushing plant purchased to feed the on-site processing plant at the Konongo Gold Project is now fully operational.

A total of 3,000 tonnes have been crushed to date with boulder stockpiles in the plant area providing the initial crusher feed. Plant scale trials are scheduled to be carried out during January to test the performance of the CIL plant when feeding 100% crushed rock as well as trialling a blend of crushed and softer tails material. These trials will allow determination of the appropriate throughput and reagent mix and enable a final decision to be made on the optimum mill feed for the plant.



Gold dore shipped to date from the project is almost 4,000 ounces. During the December quarter almost 2,000 ounces were added to circuit, an increase on the September quarter reflecting the optimisation work that has been done over the quarter to improve process performance. Production is summarised in the table below:

	September Qtr	December Qtr
Tonnes processed	88,271	67,854
Rate (tonnes / day)¹	1,051	837
Availability	91%	88%
Gold added to Circuit (oz)	1,582	1,966

In general daily throughput was lower than in the September quarter due to difficulties in handling ore with very high moisture contents as well as intentional reductions in feed rate to test the variation in recoveries at different processing rates.



Bill Oliver
Managing Director
SIGNATURE METALS LIMITED

SIGNATURE METALS

- Highly compelling off-market scrip for scrip takeover bid by LionGold Corp Ltd (SGX:LIGO).
- Offer represents a significant premium to Signature's trading prices prior to the offer:
- The Board of Directors of Signature unanimously recommends that Signature shareholders accept LionGold's Offer in the absence of a superior proposal
- The Konongo Gold Project consists of a mining license (expiry 2023) and prospecting license covering 192km² in the world class Ashanti Gold Belt of Ghana.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- Onsite 350ktpa CIL plant refurbished at a fraction of the cost of purchasing a new/second hand plant.
- Expansion to 700,000tpa being examined¹.
- JORC Resources of almost 1.47 million ounces (Table 1).
- Over 15,000 metres of drilling completed with a substantial number of high grade results received.
- Numerous additional high quality drill targets generated through successful greenfields exploration.
- Significant Manganese discovery to be drill tested.

¹Expansion detailed in announcement to the ASX on the 6th September 2010.

Table 1. Resources contained within the Konongo Gold Project. Re-estimated resources highlighted in bold.

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces
Obenemase				3,802,500	2.91	355,440	3,073,000	2.00	197,630	6,875,500	2.50	553,125
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
Kwakawkaw							985,000	1.72	54,575	985,000	1.72	54,575
Nyabo East							540,000	1.03	17,940	540,000	1.03	17,940
Patuo				128,000	1.43	5,905	445,000	1.44	20,660	573,000	1.44	26,565
Kyereben West							124,000	3.10	12,360	124,000	3.10	12,360
Aserewa				324,000	2.42	25,130	136,000	4.66	20,355	460,000	3.10	45,485
Atunsu				99,000	2.01	6,415	659,500	2.61	55,435	758,500	2.54	61,850
Apan				39,000	2.03	2,565	526,000	2.22	37,620	565,000	2.21	40,185
Leopard Shaft							95,000	7.55	23070	95,000	7.55	23,070
Boabedroo				1,359,000	2.36	103,300	2,244,000	2.36	170,490	3,603,000	2.36	273,790
Akyenase Central				58,000	4.00	7,460	96,000	8.80	27,160	154,000	6.99	34,620
Santreso West				3,520,000	1.20	135,805	810,000	1.25	32,555	4,330,000	1.21	168,360
Santreso South							340,000	1.16	12,680	340,000	1.16	12,680
Santreso East							700,000	1.27	28,615	700,000	1.27	28,615
Old Tailings Dam				1,177,000	1.19	45,050	575,000	0.87	16,100	1,752,000	1.09	61,150
Southern Tails							275,000	1.56	13,795	275,000	1.56	13,795
Total	0	0	0	10,506,500	2.03	687,070	13,123,500	1.85	779,620	23,355,000	1.95	1,466,690

The Mineral Resources presented in this table for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits, as well as for the Old Konongo Tailings Dam is based on information compiled by Mr Peter Ball who is a Member of the Australasian Institute of Mining and Metallurgy and is the Manager of Data Geo. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion of this table in the report in the form and context in which it appears based on the information presented to him.

The Mineral Resources for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits were derived from solid models of mineralised zones defined by geology and Au grade. Au grade was estimated into block models created from these zones using Inverse Distance². Tonnage was assigned by weathering condition (oxide, transition, fresh) using default SG values generated from historical drill core measurements. The Mineral Resources are classified according to geological continuity, grade continuity and geostatistical parameters relating to sample density. The Mineral Resource is reported below the recorded extents of open cut mining at a 1.0g/t cutoff for fresh rock material and a 0.5g/t cutoff for oxide & transition material. Material recorded as being mined by underground methods has also been removed from the Mineral Resource. For tailings material all material is included in the Mineral Resource.

Other Mineral Resources presented in this table have been compiled and reviewed by Mr Bill Oliver from publically stated JORC-compliant information originally prepared in 2005 by RSG Global for Mwana Africa's AIM-listing document. This information, in the opinion of Mr Oliver, complies with the reporting standards of the 2004 JORC Code. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is a Director of Signature Metals and consents to the inclusion of this table in the form and context in which it appears based on the information presented to him.

The information in this release which relates to Exploration Results is based on information compiled by Mr Bill Oliver. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is the Managing Director of Signature Metals and consents to the inclusion in this release of the matters relating to Exploration Results in the form and context in which it appears based on the information presented to him.