

## ASX Release

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Monday 21 February 2011

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LIMITED**

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**Issued Capital:**  
1,859 million shares

**ASX Symbol:** SBL

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# DRILLING CONFIRMS SURFACE DISCOVERY AT KONONGO

Signature Metals Limited is very pleased to announce that it has received excellent initial drilling results from the Kyereben Prospect at the Konongo Gold Project. Results include:

- **13 metres at 2.90 g/t gold from 34 metres\***
  - **including 2 metres at 4.18g/t gold**
  - **including 2 metres at 5.06g/t gold**
- **15 metres at 1.12 g/t gold from 12 metres\***
  - **including 3 metres at 2.41g/t gold**
- **7 metres at 1.05 g/t gold from 21 metres**
  - **including 3 metres at 2.01g/t gold**
- **4 metres at 3.30 g/t gold from surface**
- **5 metres at 1.46 g/t gold from surface**

*\* Mineralisation occurs at end of hole*

These are outstanding first drill results from a new discovery, including shallow intersections of mineable widths and grades, and provides further evidence that new surface deposits can be found within the Konongo Gold Project. Importantly the Kyereben Prospect is located approximately 200 metres from the haul road in the centre of the project (Figure 1) thus should an economic gold deposit be delineated it can be immediately added to the mining schedule.

The Kyereben Prospect was identified based on anomalous soil geochemistry, with trenching during 2010 delineating a 200 metre long anomaly with results of 8 metres at 3.84g/t gold, 22 metres at 1.52g/t gold and 22 metres at 1.48 g/t gold. Drilling at the Kyereben prospect comprised 40 holes for 1,334 metres and defined a continuous near surface mineralized zone for 200 metres of strike (Figure 2). All results are shown on Figure 2 and listed in table 1.

Mineralisation is hosted within a graphitic metasediment package with quartz veins common. The variation in grade along strike indicates that there is likely to be a plunge component to the mineralised system, similar to other deposits within the project, with potential for higher grade zones to be defined with targeted drilling. The prospect is open along strike and further drilling will test the extents of the mineralisation as well as the relationship with the Kyereben West deposit to the north and the Atunsu deposit to the south. Mineralisation is also open down-dip, with the two best intersections occurring at end of hole.

**Figure 1. Plan showing results of soil geochemical surveys within the Konongo Gold Project and exploration prospects drilled to date.**

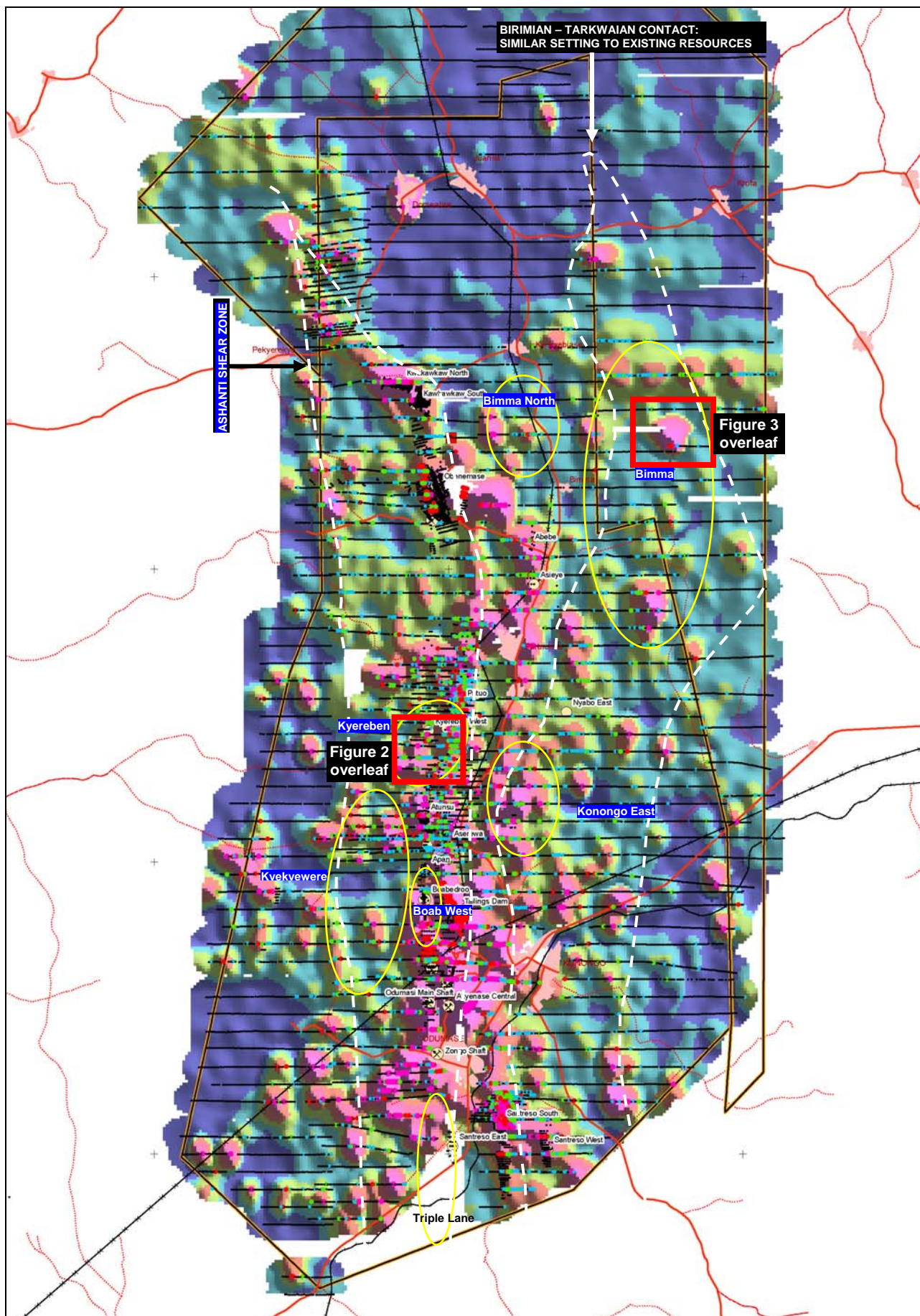
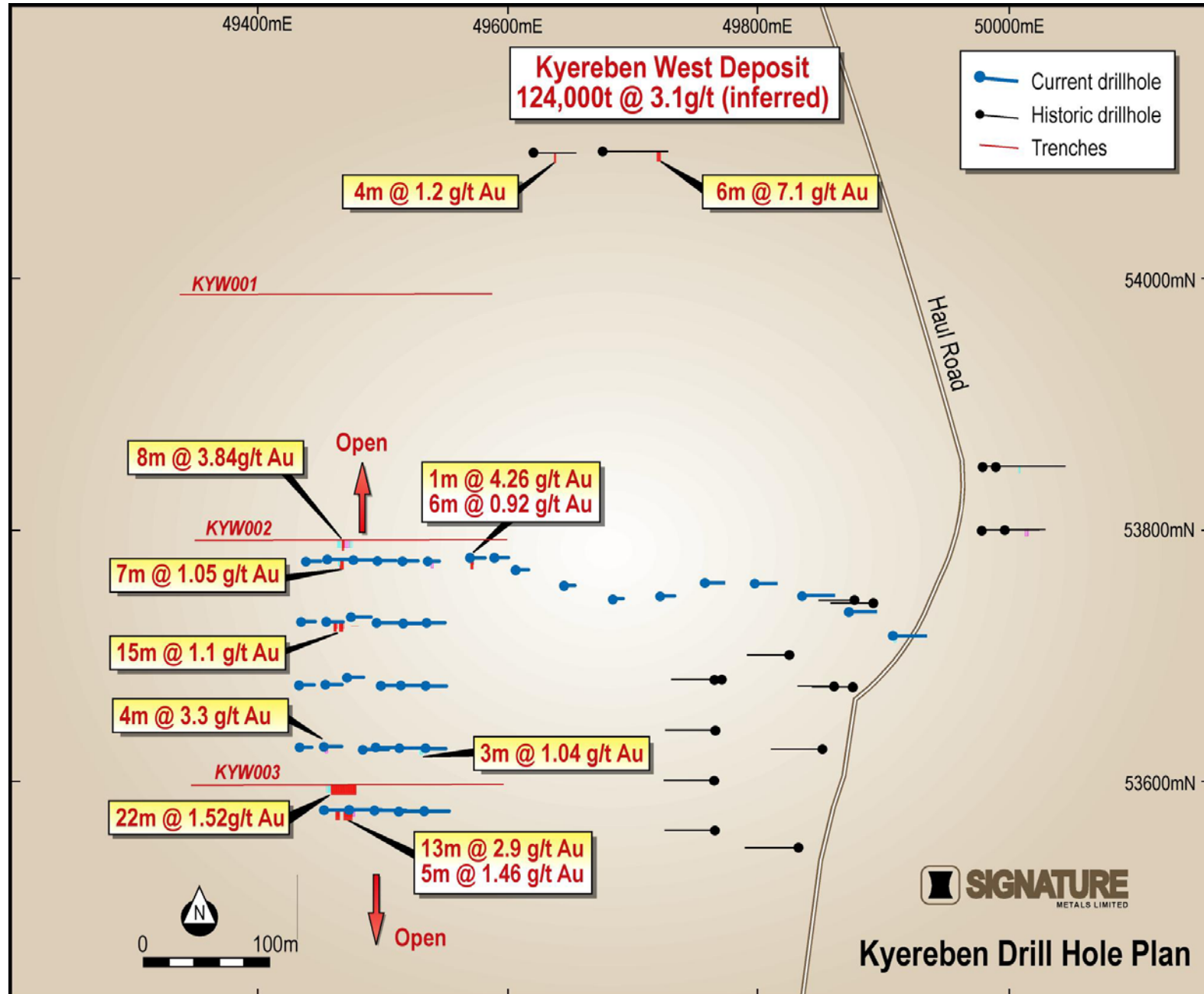


Figure 2. Plan showing drill and trench results from Kyereben West



## **Bimma South**



The Company has also received results from the Bimma South Prospect. This prospect is located within the eastern Birimian sequence which has been previously untested by drilling. Drilling was planned to provide a further test of a significant 600 metres long soil anomaly after trenching returned intersections of 2 metres at 39.8g/t gold, 2 metres at 4.80g/t gold and 54 metres at 0.22g/t gold. The trench intersections were constrained to the north of the soil anomaly indicating that the soil anomaly has in fact been transported by weathering.

A single line was drilled comprising 16 holes for 646 metres and intersected a deeply weathered sequence of siltstone and graphitic shale. Gold mineralisation was associated with quartz veining within graphitic metasediments. Holes at the eastern end often terminated in chloritic clays and could not be drilled deeper due to water pressure in the hole. Results included:

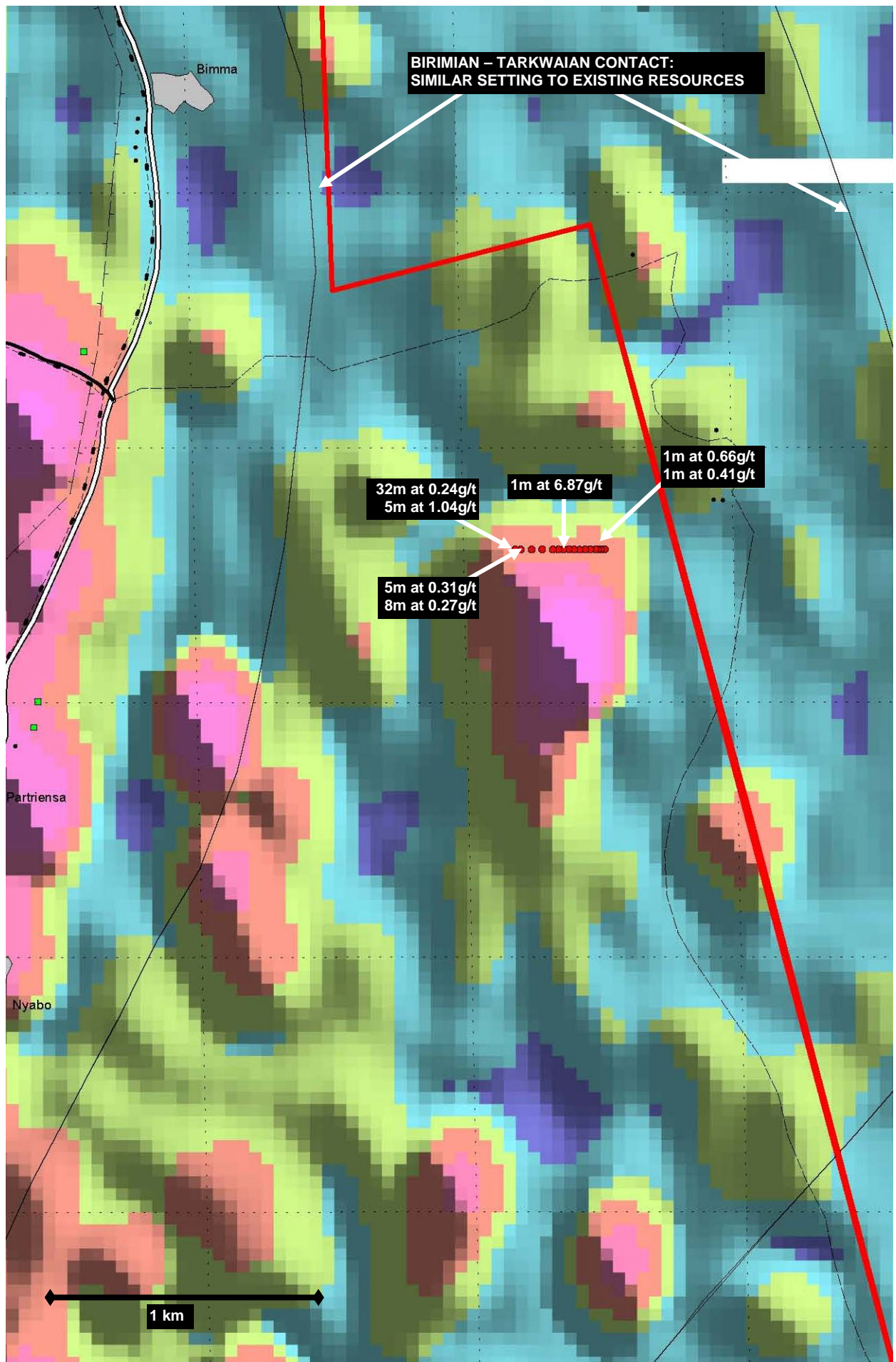
- **1 metres at 6.87 g/t gold from 46 metres**
- **5 metres at 1.04 g/t gold from 35 metres**
  - **following 32 metres at 0.24 g/t gold from surface**

All results are shown on Figure 4 and tabulated in Table 2. The most western hole (KGAC146) contained the intersection of 5 metres at 1.04g/t gold from 35 metres and follow up drilling will be required to close off mineralisation to the west. Interestingly an intersection of 32 metres at 0.24g/t gold from surface was recorded in KGAC146 above the reported result. In addition results of 5 metres at 0.31g/t gold (from surface) and 8 metres at 0.27g/t gold were returned up-dip of KGAC146 indicating that drilling has successfully intersected a mineralised system in this area but further work is required to completely test it. This work will focus to the north and west of the recent drilling in an effort to identify the source of the soil anomaly.

Results are still awaited from drilling at the Kyekyewere Prospect and the Boabedroo West Prospect. The Company will release these as soon as they are received.

Bill Oliver  
Managing Director  
**SIGNATURE METALS LIMITED**

**Figure 3. Plan showing drilling results from Bimma South overlain on gold anomalies from soil geochemistry.**



**Table 1. Significant Aircore Intersections from Kyereben West**

Hole Id	Project Grid		Total Depth	Dip/ Grid Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC156	49606	53768	20	-60/90	15	16	1	4.26
KGAC158	49569	53777	24	-60/90	0	6	6	0.92
				<i>including</i>	2	3	1	2.92
KGAC163	49455	53776	41	-60/90	21	28	7	1.05
				<i>including</i>	21	24	3	2.01
KGAC169	49454	53726	27	-60/90	12	27	15	1.12
				<i>including</i>	13	16	3	2.41
					<b>Mineralisation at end of hole</b>			
KGAC174	49453	53627	28	-60/90	0	4	4	3.3
KGAC181	49513	53626	43	-60/90	32	35	3	1.04
KGAC183	49452	53576	50	-60/90	34	47	13	2.90
				<i>including</i>	34	36	2	4.18
				<i>including</i>	44	47	2	5.06
					<b>Mineralisation at end of hole</b>			
KGAC184	49473	53576	52	-60/90	0	5	5	1.46
				<i>including</i>	0	1	1	3.41

*All intersections greater than 1m downhole with grade greater than 0.8g/t are reported and may include up to 2 metres internal waste. Samples are analysed by 50g Fire Assay method at internationally accredited laboratories in Ghana. QA/QC samples are inserted regularly by the Company including certified reference samples, blanks and duplicates and intersections are not reported unless results from these samples meet acceptable standards.*

**Table 2. Significant Aircore Intersections from Bimma South**

Hole Id	Project Grid		Total Depth	Dip/ Grid Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC133	53509	56600	33	-60/90	7	8	1	0.66
					27	28	1	0.41
KGAC134	53500	56599	36	-60/90	20	21	1	0.41
KGAC140	53391	56600	41	-60/90	18	19	1	0.22
KGAC142	53351	56600	50	-60/90	<b>46</b>	<b>48</b>	<b>2</b>	<b>3.50</b>
				<i>including</i>	46	47	1	6.87
KGAC146	53212	56601	23	-60/90	0	5	5	0.31
					11	19	8	0.27
KGAC147	53192	56601	40	-60/90	0	32	32	0.24
				<i>including</i>	31	32	1	1.29
					<b>35</b>	<b>40</b>	<b>5</b>	<b>1.04</b>

*All intersections greater than 1m downhole with grade greater than 0.2g/t are reported and may include up to 2 metres internal waste. Samples are analysed by 50g Fire Assay method at internationally accredited laboratories in Ghana. QA/QC samples are inserted regularly by the Company including certified reference samples, blanks and duplicates and intersections are not reported unless results from these samples meet acceptable standards*

*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.*

**Table 3. 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
<b>Obenemase</b>				<b>3,802,500</b>	<b>2.91</b>	<b>355,440</b>	<b>3,073,000</b>	<b>2.00</b>	<b>197,630</b>	<b>6,875,500</b>	<b>2.50</b>	<b>553,125</b>
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
<b>Kwakawkaw</b>							<b>985,000</b>	<b>1.72</b>	<b>54,575</b>	<b>985,000</b>	<b>1.72</b>	<b>54,575</b>
Nyabo East							540,000	1.03	17,940	540,000	1.03	17,940
<b>Patuo</b>				<b>128,000</b>	<b>1.43</b>	<b>5,905</b>	<b>445,000</b>	<b>1.44</b>	<b>20,660</b>	<b>573,000</b>	<b>1.44</b>	<b>26,565</b>
Kyereben West							124,000	3.10	12,360	124,000	3.10	12,360
<b>Aserewa</b>				<b>324,000</b>	<b>2.42</b>	<b>25,130</b>	<b>136,000</b>	<b>4.66</b>	<b>20,355</b>	<b>460,000</b>	<b>3.10</b>	<b>45,485</b>
<b>Atunsu</b>				<b>99,000</b>	<b>2.01</b>	<b>6,415</b>	<b>659,500</b>	<b>2.61</b>	<b>55,435</b>	<b>758,500</b>	<b>2.54</b>	<b>61,850</b>
<b>Apan</b>				<b>39,000</b>	<b>2.03</b>	<b>2,565</b>	<b>526,000</b>	<b>2.22</b>	<b>37,620</b>	<b>565,000</b>	<b>2.21</b>	<b>40,185</b>
Leopard Shaft							95,000	7.55	23070	95,000	7.55	23,070
<b>Boabedroo</b>				<b>1,359,000</b>	<b>2.36</b>	<b>103,300</b>	<b>2,244,000</b>	<b>2.36</b>	<b>170,490</b>	<b>3,603,000</b>	<b>2.36</b>	<b>273,790</b>
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
<b>Old Tailings Dam</b>				<b>1,177,000</b>	<b>1.19</b>	<b>45,050</b>	<b>575,000</b>	<b>0.87</b>	<b>16,100</b>	<b>1,752,000</b>	<b>1.09</b>	<b>61,150</b>
<b>Southern Tails</b>							<b>275,000</b>	<b>1.56</b>	<b>13,795</b>	<b>275,000</b>	<b>1.56</b>	<b>13,795</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,506,500</b>	<b>2.03</b>	<b>687,070</b>	<b>13,123,500</b>	<b>1.85</b>	<b>779,620</b>	<b>23,355,000</b>	<b>1.95</b>	<b>1,466,690</b>

**Table 4. Resources contained within the Obenemase Deposit.**

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 Main				3,153,500	3.12	316,310	1,576,000	2.45	124,150	4,729,500	2.90	440,460
Obenemase D Lode				414,000	2.35	31,270	547,000	1.92	33,755	960,500	2.11	65,025
Obenemase East				235,000	1.04	7,860	950,000	1.30	39,725	1,185,500	1.25	47,640
<b>Total Resource</b>				<b>3,802,500</b>	<b>2.91</b>	<b>355,440</b>	<b>3,073,000</b>	<b>2.00</b>	<b>197,630</b>	<b>6,875,500</b>	<b>2.50</b>	<b>553,125</b>

*The Mineral Resources presented in these tables 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 Distance<sup>2</sup>. 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.*

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