

**ASX Release**

Friday 29 July 2011

**SIGNATURE METALS  
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**Issued Capital:**  
 2,352 million shares

**ASX Symbol:** SBL

# JUNE 2011 QUARTERLY REPORT

## HIGHLIGHTS

- **First gold poured during the quarter.**
- **Over 42,000 tonnes processed to date**
- **444 ounces of gold doré produced and approximately 17.3kgs of gold in circuit (555 oz)**
- **Production successfully ramping up to target of 1,000 dry tonnes per day.**
- **Plant availability was 89% in June and is 92% to date in July.**
- **ROM stocks maintained at over 50,000 tonnes**
- **Exploration programme continues with 84 RC holes drilled for 7,488 metres at Kwakawkaw and Kyereben. Results pending.**
- **Significant first pass aircore drilling results received from the Kyekyewere Prospect along the Ashanti Shear indicating near surface mineralisation is present.**
- **Total Inferred and Indicated Resources<sup>1</sup> stand at 1.47 million ounces of contained gold:**

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	10,506,500	2.03	687,070
Inferred	13,123,500	1.85	779,620
<b>Total</b>	<b>23,355,000</b>	<b>1.95</b>	<b>1,466,690</b>
- **Exploration Target<sup>2</sup> of 1.5 - 2.5 million ounces of gold (20 – 25 million tonnes at a resource grade of 2 - 4g/t gold).**

<sup>1</sup>Further details on the Mineral Resource, including the Competent Person statement, can be found at the end of this release.

<sup>2</sup>This exploration target is conceptual in nature and relates to defined exploration targets/areas where mineralisation has been identified but resources have not been delineated. The quantity and grade of the exploration target is based on past production records and in comparison with currently defined Mineral Resources contained within the project. There has been insufficient exploration to define a Mineral Resource in these areas (aside from the resources presented earlier) and it is uncertain if further exploration will result in the determination of a Mineral Resource different to the JORC-Code compliant resource presented earlier.

## KONONGO GOLD PROJECT, GHANA

**The Konongo Gold Project contains 16 known gold deposits along 12 kilometres of strike of the world class Ashanti Gold Belt in Ghana (Figures 1 and 2). The project currently contains approximately 1.47 million ounces of gold in JORC compliant resources (23.4 million tonnes at 1.95g/t gold in the Indicated and Inferred categories; Table 1). Considerable infrastructure remains on site including a 350ktpa CIL processing plant as well as access to power, water and sealed roads.**

### PLANT



During the quarter the Company poured its first gold at the Konongo Project. This is a significant milestone for the Company and occurs within 2 years of commencing work at Konongo. The first bars were poured as part of commissioning the elution circuit and goldroom, representing the final area of the processing plant to be brought back into operation. The focus is now on ramping up production to achieve the rated throughput of 350,000 tonnes per annum and then to move into continuous commercial production.

Further gold pours have been carried out since the first pour in June although work was required to improve the efficiency of the elution circuit. This work has been completed and regular stripping of the loaded carbon and pouring of gold has recommenced. Total gold doré produced to date is 444 ounces. Gold in circuit is currently approximately 17.27kgs (555 ounces).

To date the plant has processed over 42,000 tonnes. The targeted daily production is 1,000 dry tonnes per day which is the rated capacity of the plant. In the last fortnight the plant has consistently processed between 600 and 700 tonnes per day corresponding to 60 – 70% of target. The current throughput represents an increase from the average throughput for June (580 tonnes per day) and May (370 tonnes per day).

Plant availability has also increased during the commissioning and ramp-up period, from 47% in May to 89% in June and 92% to date in July.

A key component of improving plant availability has been the commissioning of the backup generator to minimise the effect of power fluctuations. Further improvements continue to be made to improve both throughput and recoveries. The rate of processing will increase with continuous operation but work is being carried out to identify and resolve potential bottle necks around the plant site to further improve throughput. Recoveries are also being improved steadily with increased knowledge about the characteristics and performance of the differing feed sources.

The Company's new crushing plant arrived on site at the end of the quarter and site works are nearing completion. The crusher is expected to be operational this quarter.



## MINING

Reclamation of the Old Konongo Tails Dam and haulage of ore to the ROM pad continued during the quarter, with only limited interruptions due to the wet season. ROM stocks were maintained at approximately 50,000 tonnes of ore, representing at least 6 weeks of processing feed at the stated throughput of 350,000 tonnes per annum.

The primary feed source is medium grade material from the Old Konongo Tails Dam which is acting as commissioning feed. Once the plant has ramped up to full production levels higher grade material will be blended with the tailings with the aim of increasing the head grade to 2 - 2.5g/t gold.

The Old Konongo Tails Dam contains a resource of approximately 61,150 ounces of gold in the Indicated and Inferred categories.

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	1,177,000	1.19	45,050
Inferred	575,000	0.87	16,100
<b>Total</b>	<b>1,752,000</b>	<b>1.09</b>	<b>61,150</b>

Included in this resource is a high grade zone containing approximately 448,000 tonnes at a grade of 1.66g/t. Medium grade material from this zone has been preferentially reclaimed and hauled during the first weeks of mining to provide commissioning feed. Removal of this material has also resulted in exposing higher grade material which will be available for mining in coming months.

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	390,500	1.66	20,850
Inferred	58,000	1.68	3,100
<b>Total</b>	<b>448,500</b>	<b>1.66</b>	<b>23,950</b>

## EXPLORATION

During the quarter the Company drilled 84 RC holes for 7,488 metres at the Kwakawkaw Deposits and Kyereben Prospect. Drilling is intended to advance the Company's discovery at Kyereben by testing along strike from, and down-dip of, the excellent aircore results received <sup>1</sup> (**13 metres at 2.90 g/t gold from 34 metres, 15 metres at 1.12 g/t gold from 12 metres**). The Kwakawkaw drilling aims to target extensions to the high grade zones intersected in historical drilling current drill programme following extensive compilation and validation of historical drilling data. No results have been received to date.

<sup>1</sup> ASX release 21<sup>st</sup> Feb – Drilling Confirms New Surface Discovery at Konongo

Results were recently received from aircore drilling at Kyekyewere (Figure 3). Significant results are shown on Figure 4 and include:

- **19 metres at 1.11 g/t gold from surface**
- **17 metres at 0.47 g/t gold from 21 metres**
- **14 metres at 0.47 g/t gold from 12 metres**
  - **including 6 metres at 0.92g/t gold**
- **10 metres at 0.46 g/t gold from 8 metres**
- **3 metres at 1.31 g/t gold from 4 metres**
- **1 metre at 3.84 g/t gold from 4 metres**
- **1 metre at 1.47 g/t gold from 8 metres**

Aircore drilling at the Kyekyewere Prospect provided a near surface test of gold anomalies in historical soil sampling along a 3 kilometre section of the Ashanti Shear Zone (Figure 3). The drill programme consisted of 99 holes for 3,949 metres with an average depth of 40 metres.

The majority of the significant intersections lie on or near the interpreted location of the Ashanti Shear Zone (Figure 4), demonstrating that this system is mineralised within the project area. Due to the wide spaced nature of the drilling (between 500 – 1000 metres) these results should be considered “first pass” and the Company is very encouraged at the tenor of results received, especially the number of intersections with widths over 5 metres.

The Ashanti Shear Zone also hosts the Obuasi Deposit owned by AngloGold Ashanti (current resources approximately 30 million ounces of gold, past production of over 20 million ounces of gold) and the Prestea-Bogoso Deposits owned by Golden Star Resources (current resources approximately 6 million ounces of gold, past production of over 13 million ounces of gold).

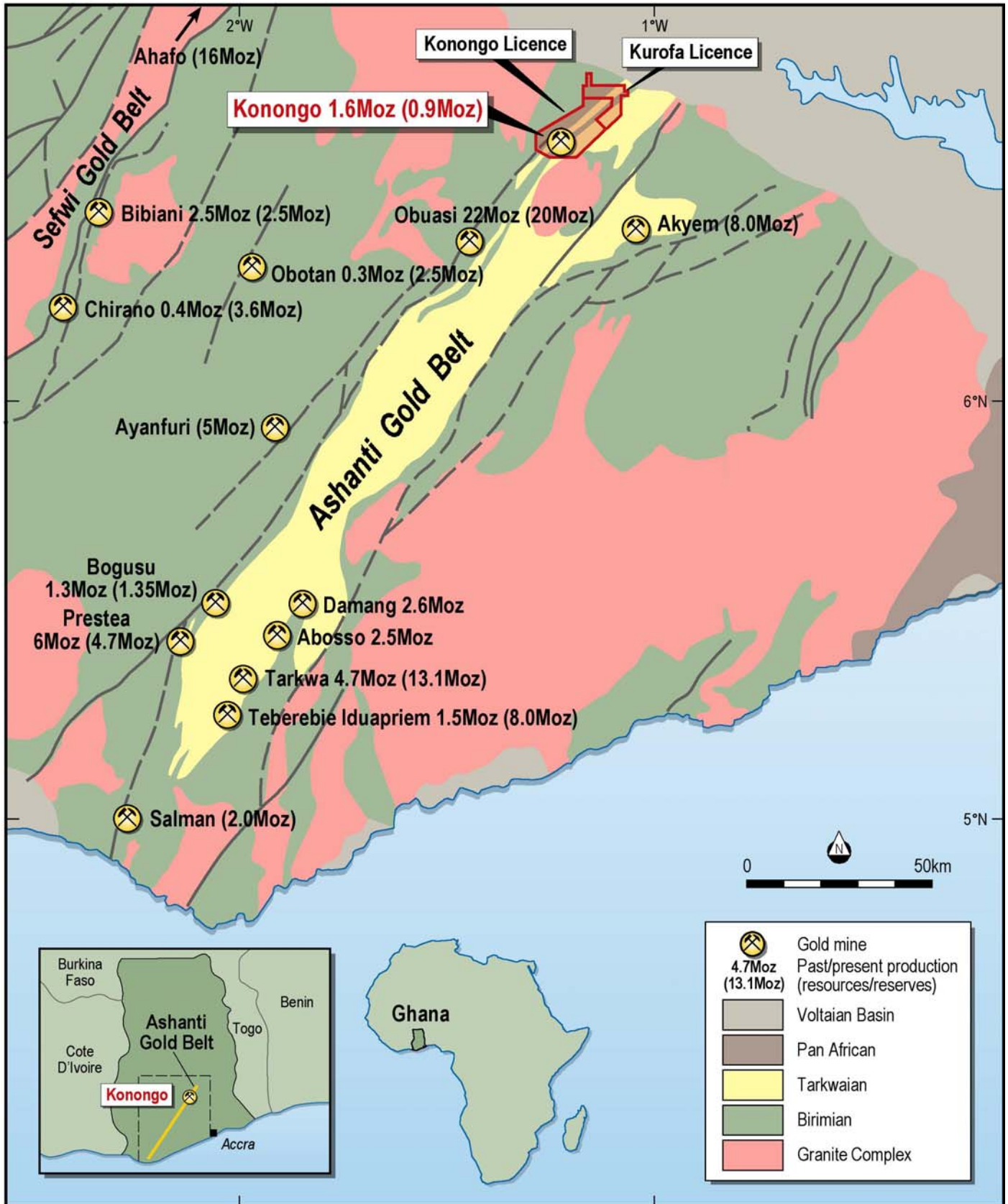
Despite the potential of this system to host significant mineralisation only limited work has been done to test the Ashanti Shear Zone within the Konongo Gold Project. The main mineralisation delineated to date, including the current Indicated and Inferred JORC resources of 1.47 million ounces (Table 1), are hosted on or adjacent to the Birimian – Tarkwaian contact which parallels the Ashanti Shear Zone (Figure 4).

Results from this drilling have identified key areas for follow up drilling, including infill drilling to provide a more comprehensive test of the system around the better results and drilling to test the strike extents of mineralisation. Mineralisation is currently open along strike to the south and north. Testing of other gold in soil anomalies along the interpreted location of the Ashanti Shear Zone (Figure 3) is also planned.

Bill Oliver  
Managing Director  
**SIGNATURE METALS LIMITED**

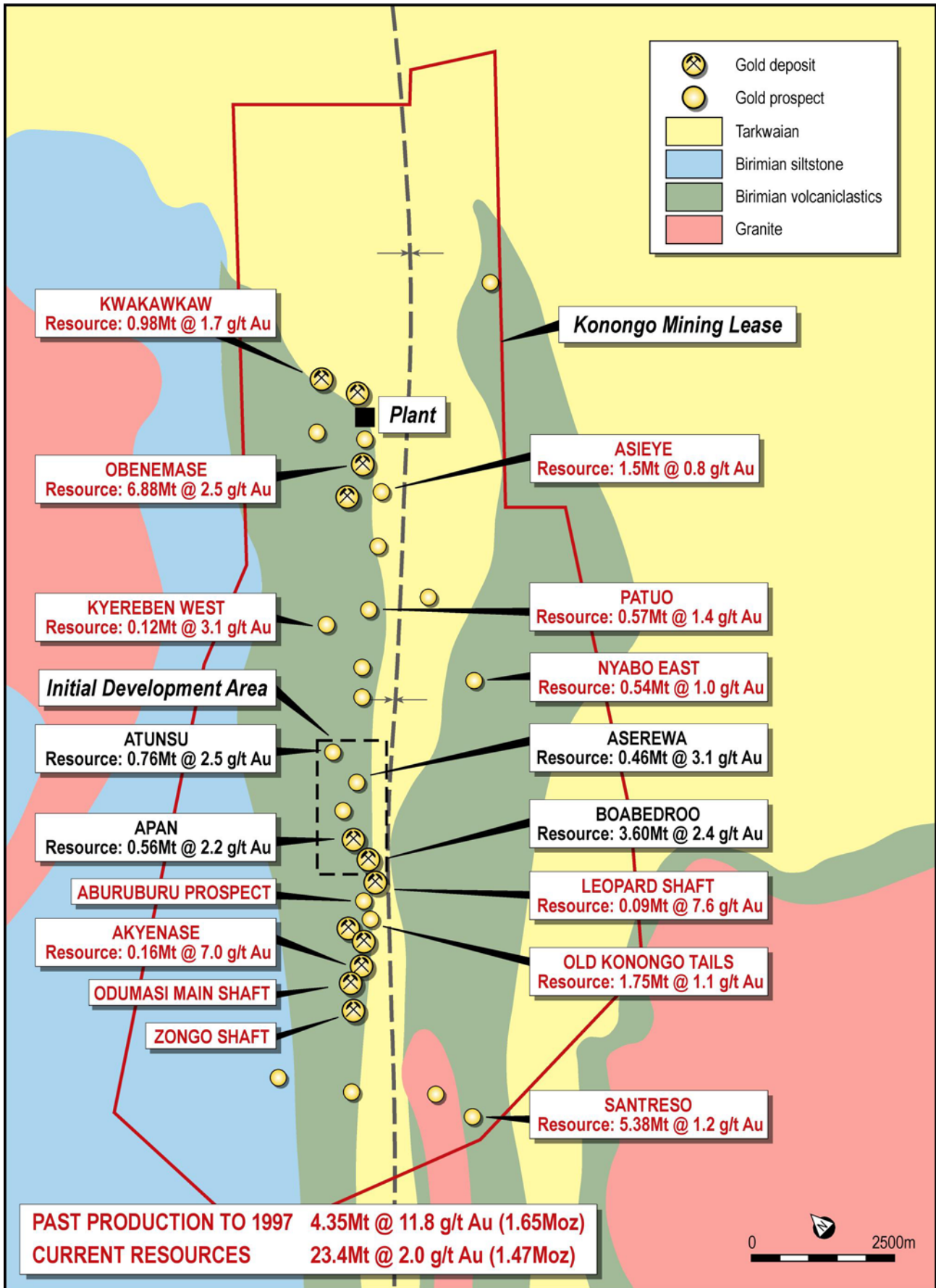
*This release contains certain forward-looking statements. These forward-looking statements are based on management's expectation and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Signature Metals Limited, that could cause actual results to differ materially from such statements.*

Figure 1. Project Location

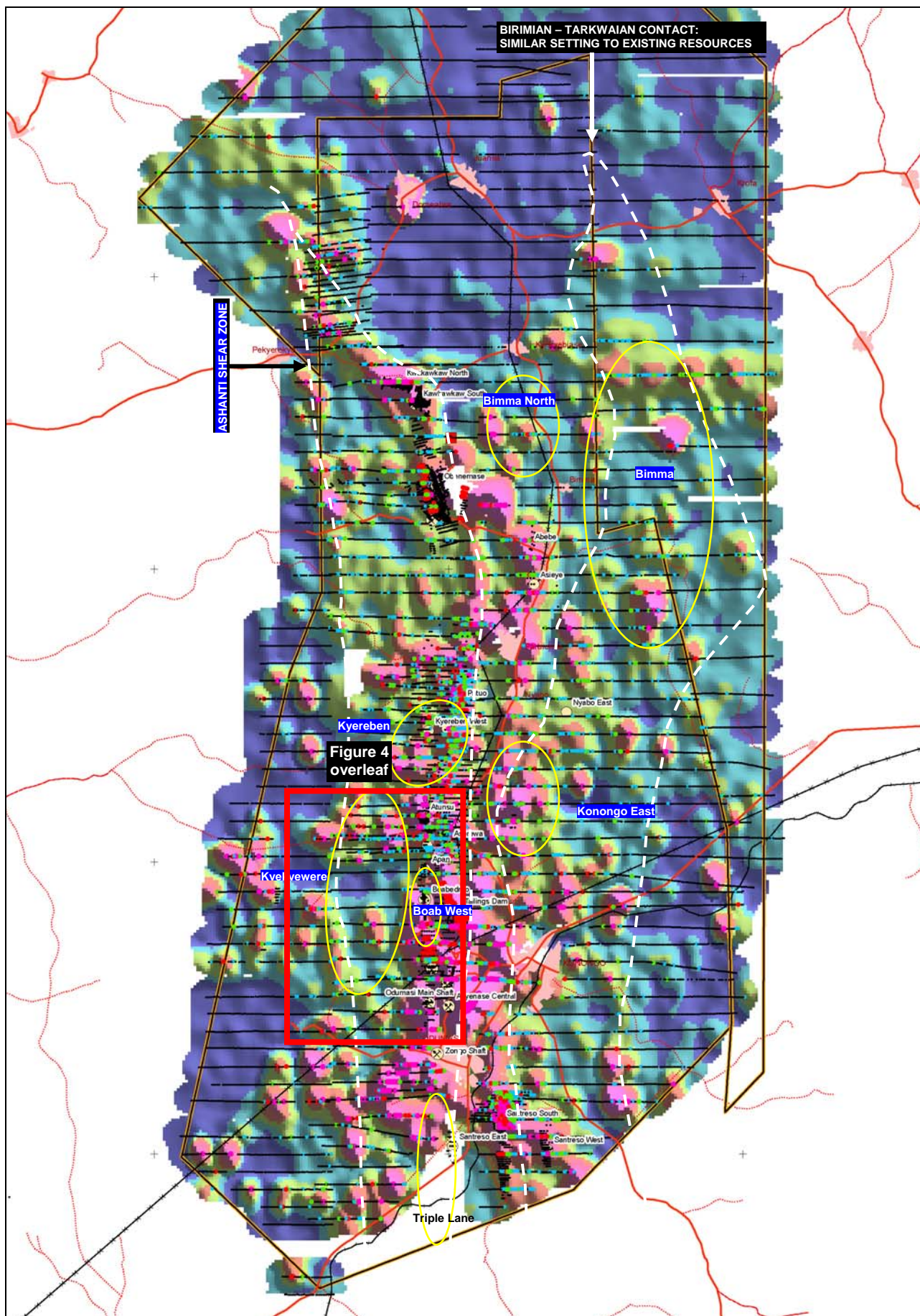


	Gold mine
	4.7Moz (13.1Moz) Past/present production (resources/reserves)
	Voltaian Basin
	Pan African
	Tarkwaian
	Birimian
	Granite Complex

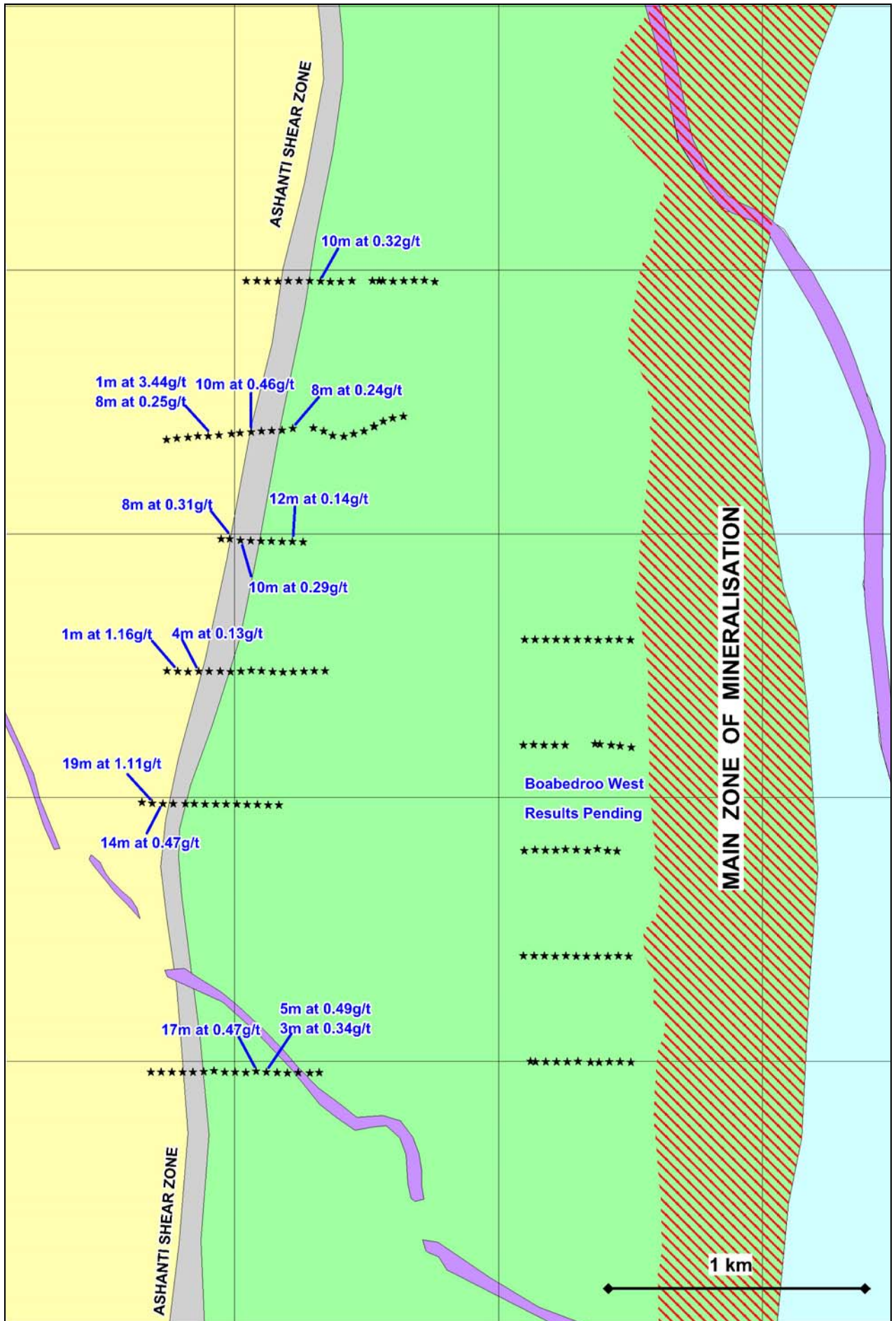
Figure 2. Deposits within the Konongo Gold Project and plant location.



**Figure 3. Plan showing results of soil geochemical surveys within the Konongo Gold Project and exploration prospects drilled to date.**



**Figure 4. Plan showing drilling results from Kyekyewere on interpreted geology.**



**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
<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>Boabedro</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>

*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 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.*

**Table 2. Significant Aircore Intersections from Kyekyewere**

Hole Id	Project Grid		Total Depth	Dip / Grid Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC209	48325	52960	42	-60 / 90	6	16	10	0.32
KGAC213	48164	52960	48	-60 / 90	46	47	1	0.48
KGAC217	48529	52407	38	-60 / 90	8	9	1	1.47
KGAC218	48220	52401	38	-60 / 90	20	28	8	0.24
KGAC222	48062	52388	32	-60 / 90	8	18	10	0.46
KGAC224	47988	52380	32	-60 / 90	18	19	1	0.63
KGAC226	47900	52373	36	-60 / 90	4	7	3	1.31
				<i>including</i>	5	6	1	3.44
					12	13	1	0.66
					24	32	8	0.25
KGAC232	47982	51982	57	-60 / 90	49	57	8	0.31
					<b>Mineralisation at end of hole</b>			
KGAC233	48022	51977	47	-60 / 90	6	16	10	0.29
KGAC238	48220	51973	44	-60 / 90	5	6	1	0.20
					10	11	1	0.27
					15	16	1	0.20
KGAC240	47744	51480	47	-60 / 90	40	42	2	0.60
KGAC247	48024	51481	26	-60 / 90	10	12	2	0.38
KGAC267	47728	50979	51	-60 / 90	0	19	19	1.11
KGAC268	47688	50980	50	-60 / 90	12	26	14	0.47
				<i>including</i>	18	24	6	0.92
KGAC280	48081	49964	44	-60 / 90	21	38	17	0.47
KGAC281	48120	49960	45	-60 / 90	4	5	1	3.84
					11	16	5	0.49
					33	36	3	0.34

*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.*