

**ASX Release**

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**22 September 2010****SIGNATURE METALS  
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**Directors / Officers:**Matthew Wood  
Bill Oliver  
Timothy Flavel  
Stuart Murray  
Scott Funston**Issued Capital:**

1,185 million shares

**ASX Symbol:** SBL**Media:****Fortbridge** +612 9331 0655  
Bill Kemmery 0400 122 449

## RIGHTS ISSUE AND PLACEMENT TO RAISE UP TO \$13.4 MILLION

Signature Metals Limited (**Company**) is very pleased to announce the raising of up to A\$13.4 million via a rights issue and placement to accelerate the exploration and development of the Konongo Gold Project in the world class Ashanti Gold Belt.

The Company has secured firm commitments from subscribers to participate in a placement by which the Company will raise \$10 million (before costs) through the issue of up to 500 million shares at an issue price of 2 cents each (**Placement**). Patersons Securities have been appointed Lead Managers for the Placement.

In addition to the Placement the Company will undertake a 1 for 8 renounceable entitlements issue at 2 cents per share to raise approximately \$3.4 million (**Offer**). The Offer is intended to be fully underwritten by Patersons Securities Limited and will be made pursuant to a prospectus to be lodged at ASIC in the near future (**Prospectus**).

The successful completion of the Placement and Offer will place the Company in a strong financial position to accelerate its aggressive exploration programme. Funds raised pursuant to the Placement and Offer will be used for:

- Drill testing of high quality targets delineated in recent exploration and drill campaigns,
- Preparation for plant commissioning and initial production (upon receipt of an environmental permit),
- Upgrade site infrastructure in preparation for mining and processing,
- Purchase adequate supplies of reagents and spare for the CIL plant for the first three months of production,
- Fast track studies into expanding production from the Project.

The Placement will be issued in two tranches. The first tranche of 177 million shares will be issued immediately prior to lodgement of the Prospectus at ASIC under the Company's existing capacity under Listing Rule 7.1. Recipients of shares under the first tranche of the Placement will be eligible to participate in the Offer.

The issue of the second tranche of 323 million shares is conditional on shareholders approving the issue of those shares at the annual

general meeting of the Company to be held as soon as practicable.

**Table 1. Use of Funds from \$13.4 million raised pursuant to Placement & Offer (assuming shareholders approve the issue of the second tranche of Placement shares)**

	A\$M
Exploration of the Konongo Gold Project	5.00
Plant Commissioning including reagents and spare parts	2.50
Upgrade site infrastructure and ore haulage	1.50
Expansion Studies	1.00
Working Capital	2.61
Expenses of the Placement and the Offer	0.79
<b>Total</b>	<b>13.4</b>

### **SIGNATURE METALS**

- The Konongo Gold Project consists of a mining license and prospecting license covering 192km<sup>2</sup> in the world class Ashanti Gold Belt of Ghana. Extension of the mining license to 2023 has been recently granted.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- Onsite 350ktpa CIL plant being refurbished at a fraction of the cost of purchasing a new/second hand plant.
- First production scheduled for January 2011
- Expansion to 700,000tpa being examined.
- Aiming to develop the Konongo Gold Project into a +100,000 ounce per annum gold producer.
- JORC Resources of over 1.27 million ounces (Table 1).
- Exploration programmes progressing well, with over 15,000 metres of drilling completed and a substantial number of high grade results received.
- Numerous additional high quality drill targets generated through successful greenfields exploration.
- Exploration Target<sup>1</sup> of 1.5 - 2.5 million ounces of gold (20 – 25 million tonnes at a resource grade of 2 - 4g/t gold).
- Significant Manganese discovery to be drill tested.

Bill Oliver  
Managing Director  
**SIGNATURE METALS LIMITED**

*<sup>1</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. Signature Metals has an exploration strategy to systematically test these areas to determine if Mineral Resources are present.*

*The information in this release which relates to Mineral Resources is based on information compiled by Mr Peter Ball who a Member of the Australian Institute of Mining and Metallurgy and 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion in this release of matters relating to Mineral Resources in the form and context in which they appear based on the information presented to him.*

**Table 2. 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>3,267,000</b>	<b>3.08</b>	<b>323,605</b>	<b>1,739,000</b>	<b>2.37</b>	<b>132,695</b>	<b>5,006,000</b>	<b>2.83</b>	<b>456,300</b>
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
Kwakawkaw							344,000	4.31	47,675	344,000	4.31	47,675
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>192,500</b>	<b>2.63</b>	<b>16,295</b>	<b>2,184,500</b>	<b>2.58</b>	<b>180,900</b>	<b>2,377,000</b>	<b>2.58</b>	<b>197,195</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	135,810	810,000	1.25	32,555	4,330,000	1.21	168,365
Santreso South							340,000	1.16	12,680	340,000	1.16	12,680
Santreso East							700,000	1.27	28,610	700,000	1.27	28,610
<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>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,804,500</b>	<b>2.01</b>	<b>568,235</b>	<b>10,814,000</b>	<b>2.03</b>	<b>704,395</b>	<b>19,618,500</b>	<b>2.02</b>	<b>1,272,630</b>

The Mineral Resources presented in this table for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits, and the Old Konongo Tailings Dam, is based on information compiled by Mr Peter Ball who is a Member of the Australian 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 'Australian 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.

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 Australian 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 'Australian 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.