

ASX Release

Friday 31 July 2009

**SIGNATURE METALS
LIMITED**

Level 1 / 33 Richardson Street
WEST PERTH
Australia

Tel: +61 8 9481 0101
Fax: +61 8 9200 4469

Contact:
Bill Oliver
(Managing Director)

E-mail:
info@signaturemetals.com.au

Directors / Officers:
Matthew Wood
Bill Oliver
Timothy Flavel
Stuart Murray
Scott Funston

Issued Capital:
417 million shares

ASX Symbol: SBL

Media:
Fortbridge +612 9331 0655
Bill Kemmery 0400 122 449

JUNE 2009 QUARTERLY REPORT

*“A new gold project in the world-class
Ashanti Gold Belt of Ghana”*

HIGHLIGHTS

- Focussed on developing the Konongo Gold Project into a +100,000 ounce per annum gold producer.
- Fast tracking a strategy to bring the Konongo Gold Project rapidly into production, with potential for early cash flow from reclamation of stockpiles.
- Reviewing existing JORC Resources of approximately one million ounces.
- Exploration Target of 1.5 - 2.5 million ounces of gold at a resource grade of 2-4g/t gold.
- Exploration work programmes being designed for immediate commencement.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- Significant infrastructure on site including a 350ktpa CIL gold treatment plant.
- CIL plant and tailings dam available and serviceable at a fraction of the cost of purchasing a new/second hand plant.
- Availability of local skilled workers and mining contractors will reduce capital and operating expenditures and implementation times.
- Government and local stakeholders supportive of recommencement of mining and production at Konongo.

GHANA

During the quarter the Company acquired the option to purchase 70% of the Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana (see Figure 1). The Konongo Gold Project comprises 192 km² of granted tenure and contains 16 known gold deposits along 12 kilometres of strike (see Figure 2). Significant infrastructure remains on site including a 350ktpa CIP plant. The Konongo Gold Project is jointly owned by Mwana Africa PLC, a local company and the Government of Ghana.

This is an important transaction for the growth of Signature Metals and sets the path for the Company to become a significant gold producer in a proven high grade gold belt.

The project currently has current JORC compliant resources of **15 million tonnes at 2.0g/t gold** in the Indicated and Inferred categories representing **over 975,000 ounces of contained gold:**

Class	Tonnes	Grade (g/t)	Contained Ounces Au
Indicated	5,006,000	1.84	295,745
Inferred	10,001,000	2.12	682,685
Total	15,007,000	2.02	978,430

Resources contained within the project are detailed in the attached table and **include six deposits with resource grade greater than 4g/t gold**. In addition to re-evaluating the known deposits at the current gold price the Company believes there is considerable potential to extend high grade zones within these resources as well as the opportunity to make new discoveries within the project area.

The initial focus of the company is on the Atunsu, Apan, Asewera and Boabedro deposits, located within a 2.5km by 1km area in the centre of the project area (see Figure 2). Mwana Africa carried out drilling at Boabedro South in 2007-2008 and delineated a new Inferred resource containing 152,500 ounces of gold (3Mt at 1.6g/t gold). This is in addition to over 150,000 ounces in Indicated and Inferred resources previously estimated in these deposits (details in Table 1):

Deposit	Tonnes	Grade (g/t)	Contained Ounces Au
Aserewa	443,000	3.20	45,645
Atunsu North	164,000	4.49	26,165
Atunsu	160,000	4.21	21,670
Apan	554,000	5.34	95,050
Boabedro	3,015,972	1.60	155,226

Compilation of all data relating to the Project has been completed. Re-modelling of these resources has commenced and is expected to be completed during the second half of 2009.

The Company believes there are several prospective areas between the plant site and the initial development area which have not been adequately tested (Figure 3). These represent priority drill targets and work programmes are being designed to test these areas for high-grade free-milling resources which can be fast-tracked into production. In addition there are several high grade shoots open at depth (Figure 4).

The Company has defined an **Exploration Target for the Konongo Gold Project of 20 – 25 million tonnes at a grade of 2 – 4 g/t gold containing 1.5 - 2.5 million ounces of gold** based on historical drilling results in the target areas and comparison of these areas with deposits already delineated at the Project¹.

Plant

Inspection of the CIL plant remaining on site at Konongo has been completed and shown that the plant is in good condition. As a result, the costs associated with refurbishing the plant are expected to be minimal, especially in comparison to the capital cost of a new plant. The presence of this plant onsite at Konongo presents Signature with the opportunity to move into production early.

The time required to make the plant serviceable again is forecast to be six to twelve months. The Company believes 250-350,000tpa of ore can be processed with the plant in its current configuration and the potential for future expansion is being examined.

Mining

The Company envisages initial production to be from the mining of new and existing open-cut operations including the Apan, Asewera, Atunso and Boabedro deposits. Previous open pit mining at the Konongo Gold Project was carried out during a period of low gold prices and the Company believes that the remnant oxide resources will provide economically viable ore which is ready to mine.

¹This 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.

CIL plant located adjacent to Obenemase Deposit



Asewera South Pit



Kwakawkaw South Pit



South Shaft, Konongo Mine



The Company is also closely investigating the potential of processing a number of ore stockpiles and dumps which remain on site. There is approximately one to two million tonnes of tailings, spent agglomerates and other stockpiles which are currently being assessed as part of a study to recommence production.

Background

Gold was discovered on the Konongo Gold Project at the Obenemase Deposit in 1903. Between discovery and 1997 **approximately 4.4 million tonnes of ore was treated from the project for approximately 1.6 million ounces of gold at a recovered grade of 11.8g/t Au.** Most of this production was carried out between 1932 and 1984, with underground mining to a depth of 844 metres from five shafts. A number of small, shallow oxide deposits were mined between 1988 and 1997. Exploration since this date has included an airborne geophysical survey and over 30,000 metres of RC and diamond core drilling, as well as 7,000 meters of trenching.

The Konongo Gold Project is situated in the world class Ashanti Gold Belt, which hosts the Obuasi Gold Deposit, operated by AngloGold Ashanti Limited, and the Prestea/Bogosu deposits currently being mined by Golden Star Resources Limited. Obuasi is located approximately 50 kilometres from the Konongo Project and contains resources of 33 million ounces of gold and past production exceeding 22 million ounces of gold. The Prestea/Bogosu deposits have current resources of six million ounces of gold and have historically produced approximately eleven million ounces of gold. Both the Obuasi and Prestea/Bogosu deposits are similar in terms of geological setting and mineralisation styles to the deposits found within the Konongo Gold Project.

Geology

The geology within the project area comprises Upper Birimian and Tarkwaian series rocks (Figure 2). These rocks are folded around a northeast trending axis, which swings to the north as dips flatten in the Obenemase and Kwakawkaw areas. Folding is isoclinal, with the fold axis overturned to the southeast and limbs separated by Tarkwaian sediment in the core of the syncline.

Gold mineralisation within the Konongo Project area can be divided into four distinct styles:-

Staff and facilities onsite at Konongo



- 1) Quartz reef style, with gold mineralisation hosted within narrow, intensely sheared, quartz veined and altered transition zone sediments
- 2) Disseminated sulphide / gold lodes; hosted within Upper Birimian volcano-sedimentary rocks
- 3) Associated with highly sheared, altered and quartz veined granitoid intrusives
- 4) Broad hydrothermal auriferous stockwork zones in Tarkwaian rocks

Previous mining has concentrated on the bonanza grade quartz reefs leaving potential for significant wall-rock mineralisation and/or high-grade disseminated mineralisation to be discovered / developed. Limited exploration has been carried out away from the main mining camps of Konongo and Obenemase.

Local

Staff remaining on site at the Konongo Gold Project including administration, finance, security, maintenance, surveyors, samplers and mine management. The site is fenced, gated and well maintained and contains housing and accommodation for employees and contractors. Mining has been ongoing in the Ashanti Region for over 100 years and experienced mine workers are available in the local area. The Company intends to use this local skill base as much as possible during development and mining of the project. Meetings with the local and national government have been positive with all parties keen to recommence production and provide maximum benefits to the community and stakeholders.

Infrastructure

Access to the Konongo Gold Project is excellent and via a sealed national highway. Ghana's national HT electricity grid also runs through the Konongo Project with a substation located on the property. Signature anticipates many benefits from the close proximity of the Konongo Gold Project to these and other critical infrastructures located nearby.

The regional centre of Kumasi is within 50 kilometres of the Konongo Gold Project and contains all necessary support businesses and services for the mining industry including equipment suppliers, mining and earthmoving contractors and skilled workers and tradespeople. Kumasi also has an airport with daily flights to Accra.

CORPORATE

The Company is pleased to announce that Mr Bill Oliver has been appointed as Managing Director. Mr Oliver has been the Exploration Director of Signature Metals on a consultancy basis since October 2008 and was responsible for the identification and acquisition of the Konongo Gold Project. Mr Oliver will now assume full responsibility for the day-to-day running of the Company and the development of the Konongo Gold Project.

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.

The Exploration Target presented in this release 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 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 in the attached table) 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 has 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 along with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. This information, in the opinion of Mr Oliver, complies with the reporting standards of the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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.

Figure 1. Project Location

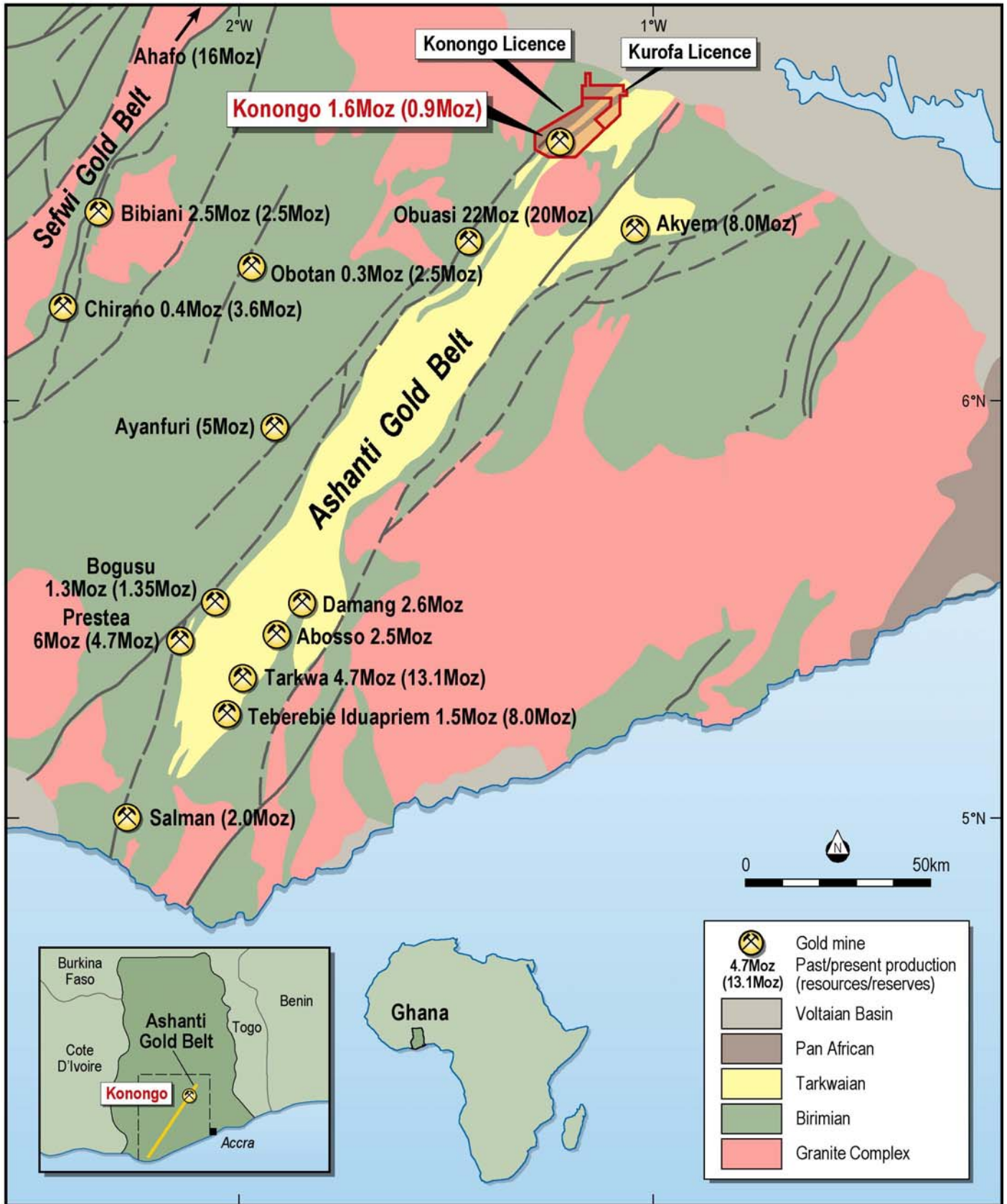


Figure 2. Deposits within the Konongo Gold Project showing development area.

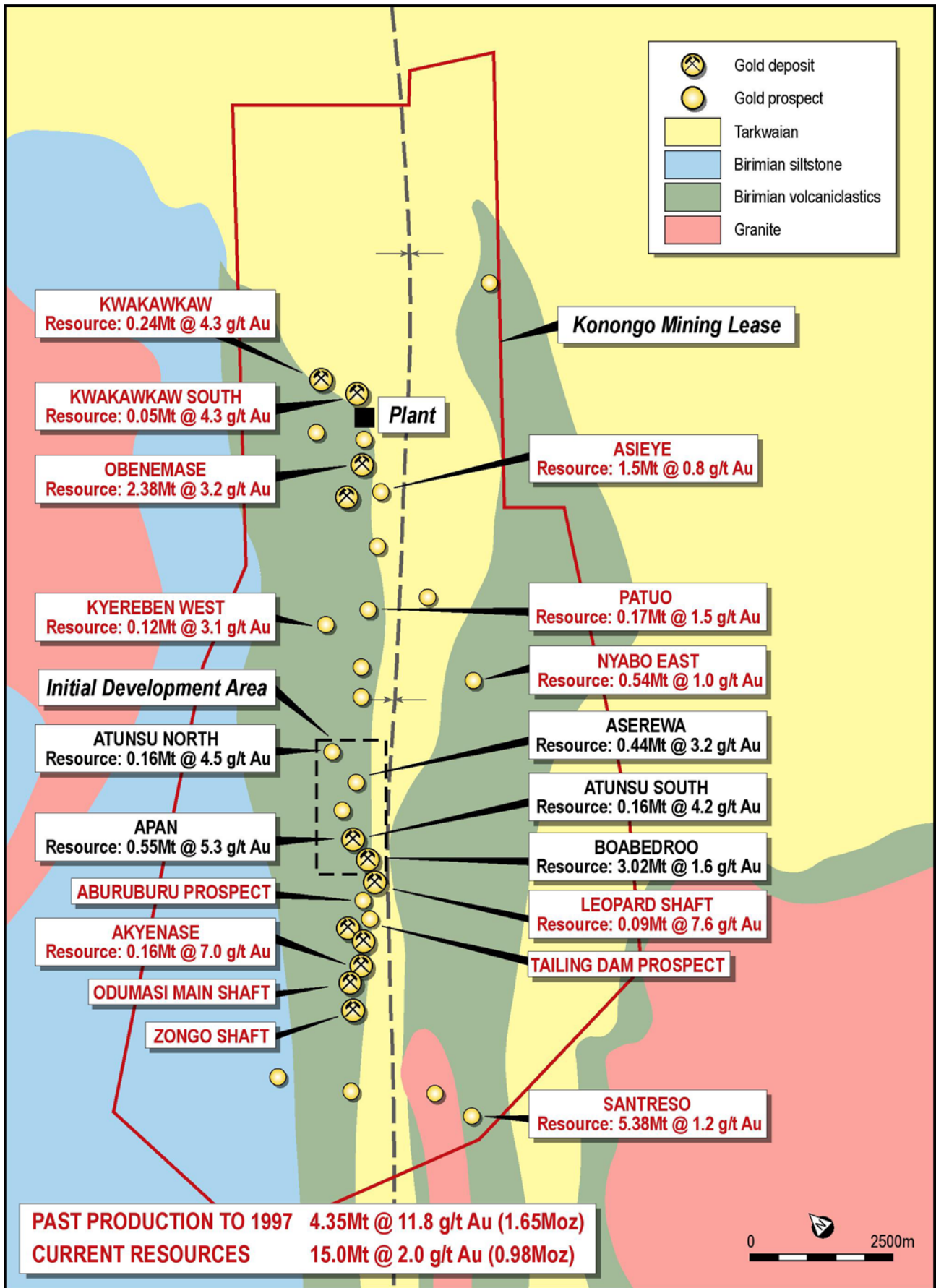


Figure 3. Plan of the initial development area showing previously mined pits and interpreted high-grade reef positions.

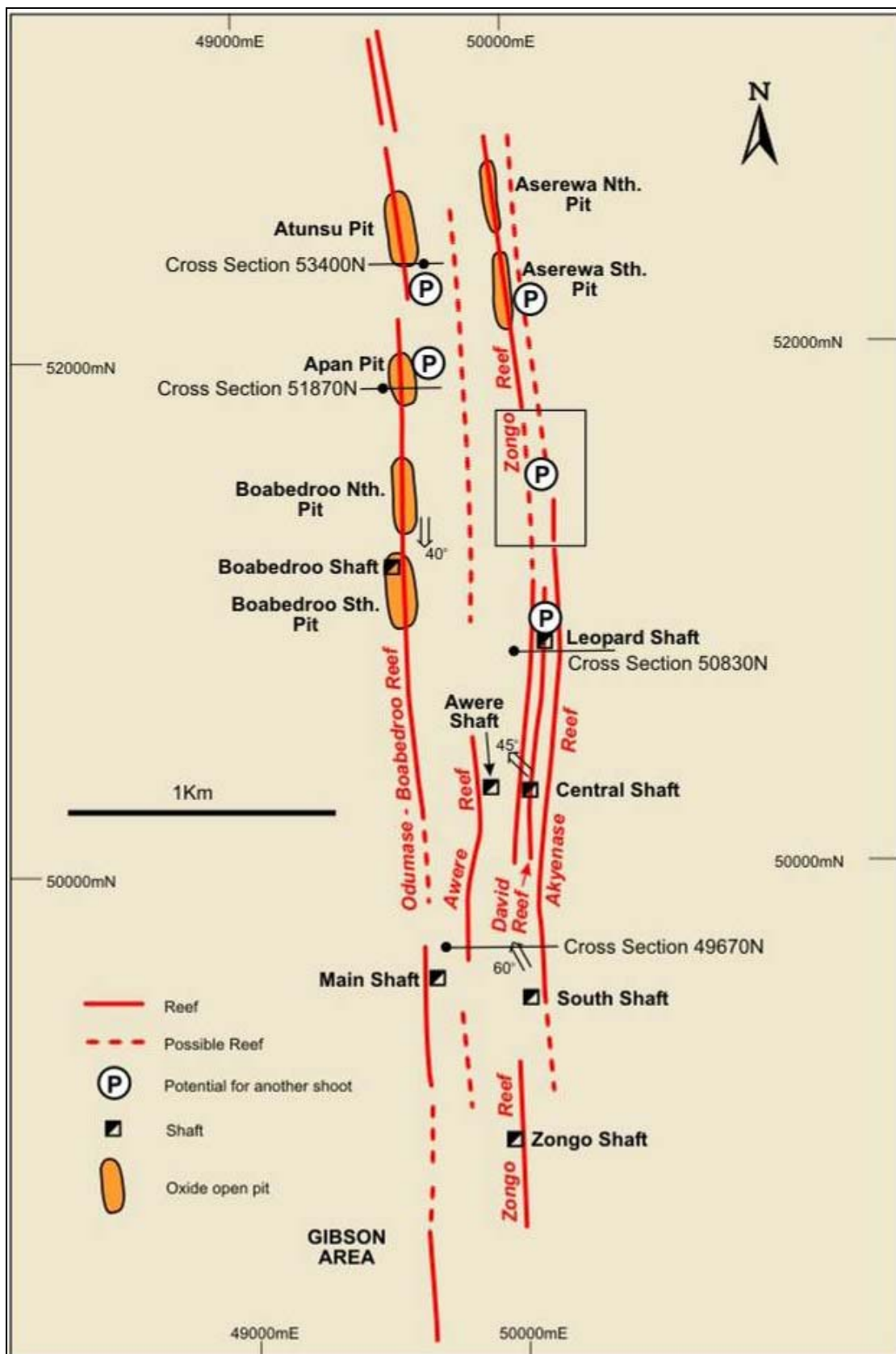


Figure 4 Long Section through the Obenemase Deposit

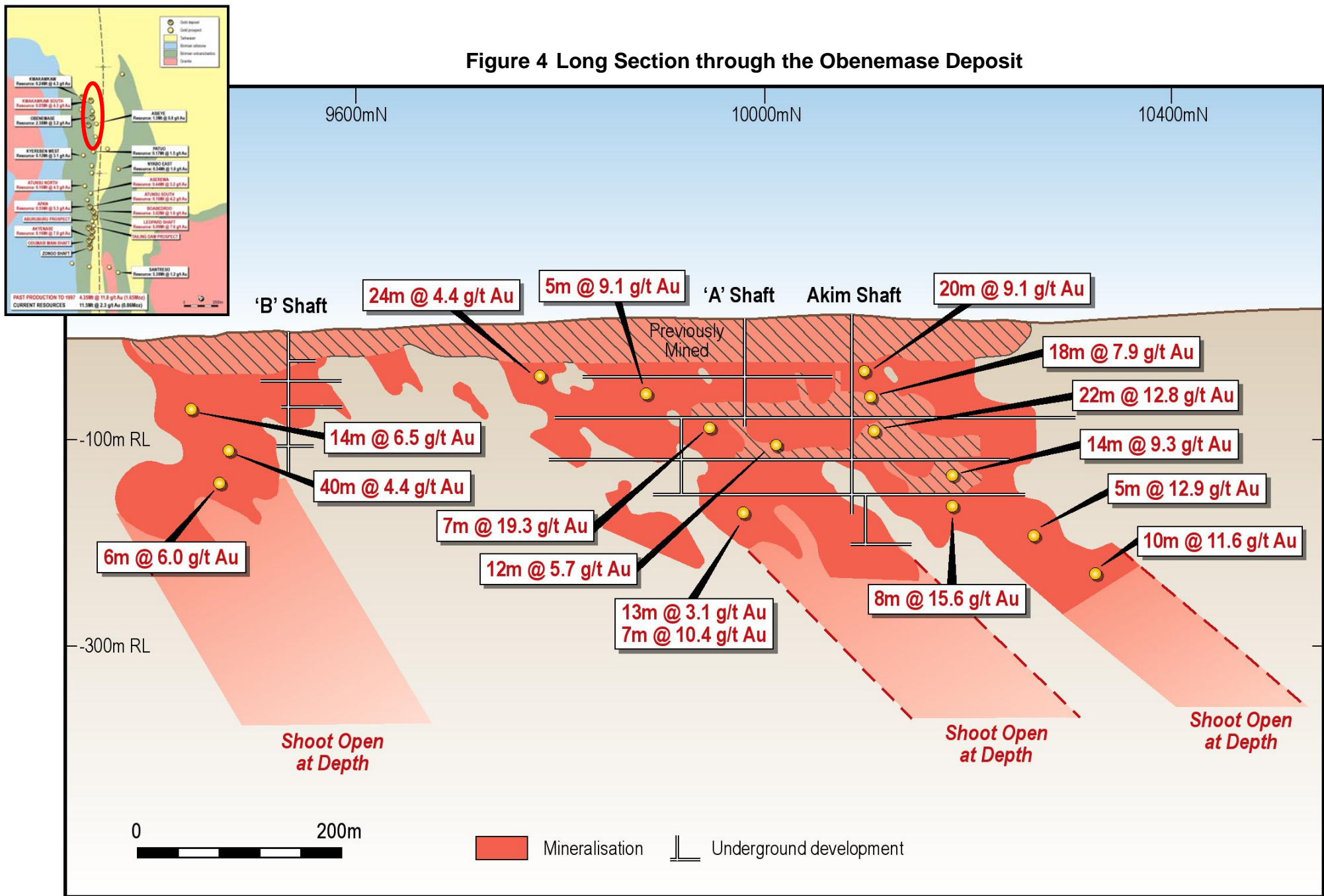


Table 1. Resources contained within the Konongo Gold Project

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				1,297,000	3.43	143,000	1,081,000	2.88	100,000	2,378,000	3.18	243,000
Asieye							1,500,000	0.80	38,581	1,500,000	0.80	38,581
Kwakawkaw							344,000	4.31	47,673	344,000	4.31	47,673
Nyabo East							540,000	1.03	17,939	540,000	1.03	17,939
Patuo				43,000	1.60	2,212	122,000	1.42	5,565	165,000	1.47	7,777
Kyereben West							124,000	3.10	12,359	124,000	3.10	12,359
Atunsu North							164,000	4.49	26,165	164,000	4.49	26,165
Aserewa				20,000	1.90	1,222	423,000	3.27	44,423	443,000	3.20	45,645
Atunsu				14,000	3.10	1,395	146,000	4.32	20,275	160,000	4.21	21,670
Apan				24,000	2.50	1,929	530,000	5.46	93,121	554,000	5.34	95,050
Boabedroo				30,000	2.82	2,720	2,985,972	1.59	152,506	3,015,972	1.60	155,226
Leopard Shaft							95,000	7.55	23,071	95,000	7.55	23,071
Akyenase Central				58,000	4.00	7,459	96,000	8.80	27,161	154,000	6.99	34,620
Santreso West				3,520,000	1.20	135,807	810,000	1.25	32,553	4,330,000	1.21	168,360
Santreso South							340,000	1.16	12,682	340,000	1.16	12,682
Santreso East							700,000	1.27	28,612	700,000	1.27	28,612
Total	0	0	0	5,006,000	1.84	295,744	10,000,972	2.12	682,686	15,006,972	2.02	978,430

The Mineral Resource presented in this table has 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 with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. 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 the Exploration 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.