

ASX Release

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JORC RESOURCE FOR OLD KONONGO TAILINGS DAM

The Company is very pleased to announce the JORC resource for the Old Konongo Tailings Dam, contained within the Konongo Gold Project in the world class Ashanti Gold Belt of Ghana. The resource is **1.75 million tonnes** at a **grade of 1.09g/t gold** for approximately **61,150 ounces of contained gold** classified as follows:

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

Significantly this resource includes a high grade area of

448,500 tonnes at 1.66g/t

for almost **24,000 ounces of contained gold.**

The Old Konongo Tailings Dam contains residual material from processing at the historic Konongo Mine, which was operational between 1918 and 1986. Records show that approximately 2.8 million tonnes of ore was processed at a head grade of 15.7g/t recovering approximately 1.4 million ounces.

The JORC resource for the Old Konongo Tailings Dam is based on aircore drilling carried out in late 2009. 131 aircore holes were drilled across the dam at spacings of 50 metres by 25 metres and 25 metres by 25 metres for a total of 2,376 metres. Drilling identified high grade areas within the dam where intersections were consistently greater than 1.5g/t gold (Figure 1).

The Old Konongo Tailings Dam is one of a number of surface stockpiles/dumps which the company is evaluating to determine if they can provide feed for the existing 350ktpa CIL plant. The cost of reclaiming these stockpiles will be less than that of mining new ore making them potentially viable sources of millfeed. The option of blending tailings material with oxide ore is also being assessed as part of the optimisation of the mining schedule. Note that the high grade portion of the Old Konongo Tailings Dam resource could provide sufficient material to run the CIL plant for the first year of operation.

Preliminary metallurgical testwork indicates that recoveries of over 60% are achievable from this material, with recoveries as high as 80% being achieved. Further work is underway to confirm these results.

The **total resource** for the project is now **19.6 million tonnes** at a **grade of 2.02g/t gold** for **1.27 million ounces of contained gold** and is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	8,804,500	2.01	568,235
Inferred	10,814,000	2.03	704,395
Total	19,618,500	2.02	1,272,630

Details of the resource contained in individual deposits are given in Table 1. The Company reminds investors that the second tranche of shares to Mwana Africa PLC is only required after delineation of 1 million ounces in the Measured and Indicated categories.

The Company is entering an important phase in the development of the Konongo Gold Project with the mining study and plant assessment nearing completion.

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- Aiming to develop the Konongo Gold Project into a +100,000 ounce per annum gold producer.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- JORC Resources of approximately 1.27 million ounces.
- Exploration Target¹ of 1.5 - 2.5 million ounces of gold (20 – 25 million tonnes at a resource grade of 2 - 4g/t gold).
- Exploration programmes progressing well, with high grade results received from drilling.
- Onsite CIL plant available and serviceable at a fraction of the cost of purchasing a new/second hand plant. Lead time envisaged to be 6 - 12 months.

Bill Oliver
Managing Director
SIGNATURE METALS LIMITED

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.

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.

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 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 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.

Figure 1. Plan showing results from aircore drilling at the Konongo tailings dam

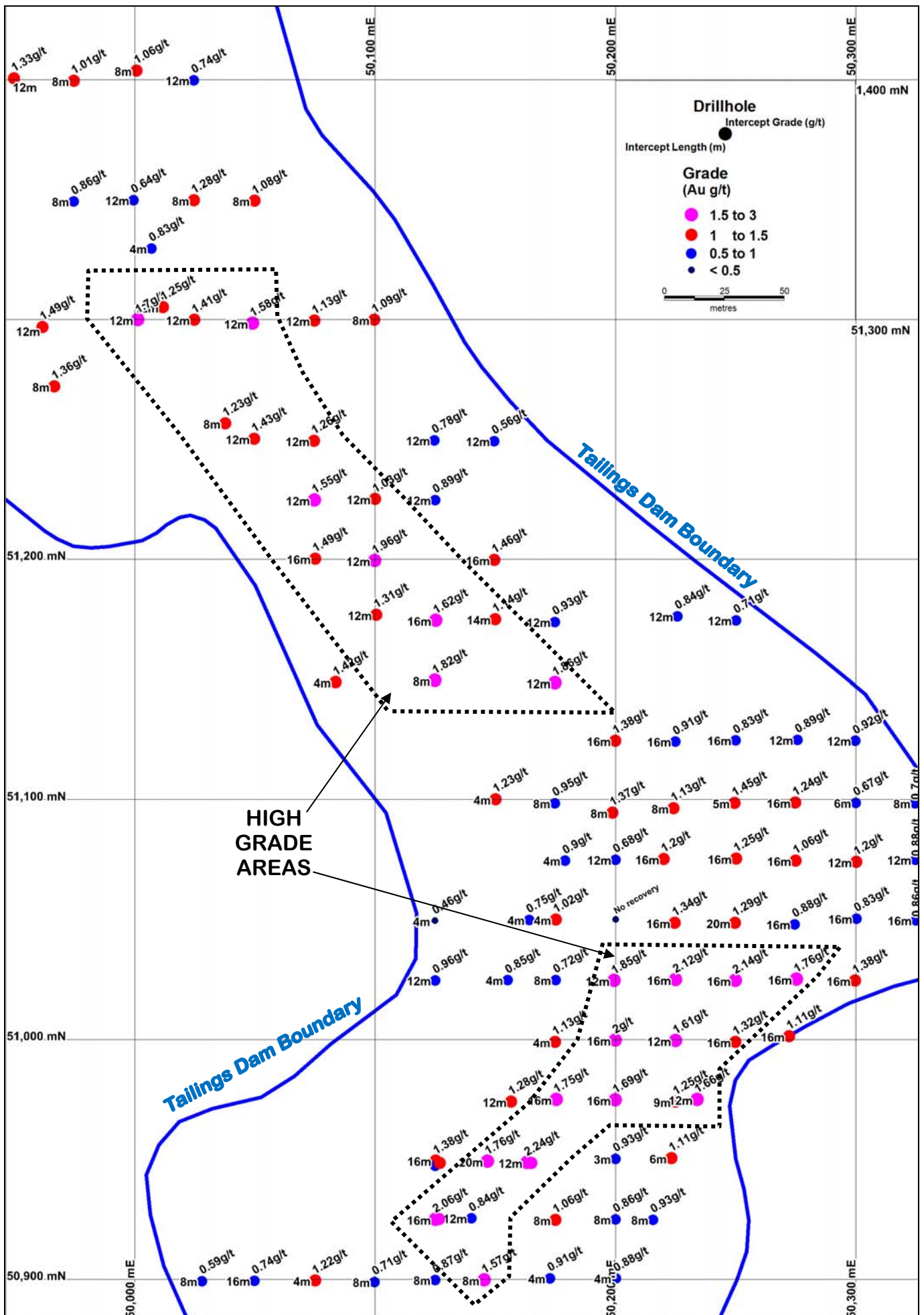


Table 1. Resources contained within the Konongo Gold Project. Re-estimated resources highlighted in bold.

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				3,267,000	3.08	323,605	1,739,000	2.37	132,695	5,006,000	2.83	456,300
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
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				192,500	2.63	16,295	2,184,500	2.58	180,900	2,377,000	2.58	197,195
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
Old Tailings Dam				1,177,000	1.19	45,050	575,000	0.87	16,100	1,752,000	1.09	61,150
Total	0	0	0	8,804,500	2.01	568,235	10,814,000	2.03	704,395	19,618,500	2.02	1,272,630

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 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.

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.