

PLANT REFURBISHMENT UPDATE

ASX Release

Thursday 29 July 2010

**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:
1,185 million shares

ASX Symbol: SBL

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

Signature Metals Limited is pleased to update the market on the refurbishment of its 350,000tpa CIL plant on site at the Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana.

The refurbishment of the processing plant is progressing on schedule and on budget. Work commenced with an overhaul of the ball mill and associated components. The drive train has been stripped down and inspected. The ring gear and pinion were found to be in good condition with the mill able to be rotated. The gearbox and mill clutch were stripped down and determined to be serviceable.

Both trunion bearings have been removed, thoroughly examined and determined to be useable. The bearing housings were also cleaned and overhauled. The mill motor has been test run for short periods with no problems encountered. The feed chute to the mill was also inspected and found to be in serviceable condition. All components have been cleaned and refitted to the mill in readiness for the mill to be test run.

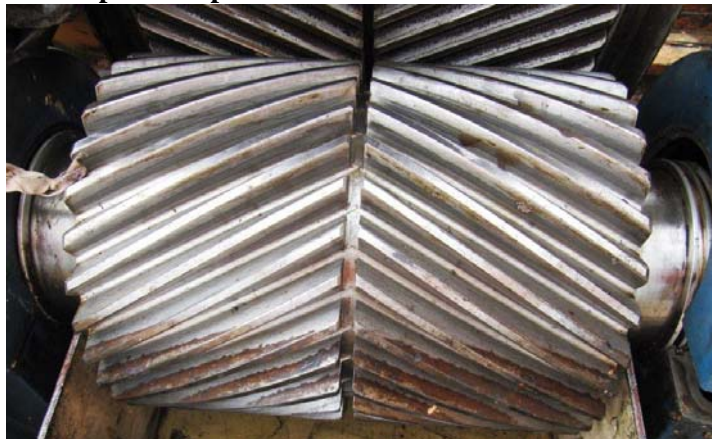
Removing discharge trunion from the mill



Pinion and ring gear



Close up of mill pinion



The agitators and motors for the gold leaching tanks have been removed to enable inspection. Stripping and cleaning of the leach tank agitator gearboxes have returned them to operating condition.

BEFORE



AFTER



New hungry boards have been fitted to the ROM ore bin and minor plate repairs have been concluded. The installation of new wear plates is pending. Spares of items such as wear plates and feed chutes will be constructed during the refurbishment process.

Scaffolding around Ore Bin



Scaffolding has been constructed around the adsorption tanks to provide access for minor repairs over the next few weeks. The first of the 4 adsorption tanks has been cleaned and new base plates installed. The inter stage tank screen has been removed, cleaned and new screen mesh will be fitted. This process will be repeated for the remaining 3 tanks over the coming weeks.

Cleaning inside of adsorption tanks prior to sandblasting and coating



An overhaul of the electrical system around the processing facility has commenced with a detailed inspection of the cabling and components. New parts and cables required to complete the refit have been ordered.

In addition to the plant refurbishment the Company has completed extensive work to prepare the tailings dam used in the 1990's for utilisation when production re-commences. The Company has also re-established the haul road to the plant and returned it to operating conditions.



As discussed in the March Quarterly Report there are stockpiles remaining on the ROM pad adjacent to the plant available for use in the initial phase of production. Of 151 grab samples taken from the stockpiles in the plant area 79 returned assays above 3g/t gold.

The Company remains on track to for first gold production in 6 – 9 months. Further updates on the progress of the plant refurbishment will be given to the market at regular intervals

Bill Oliver
Managing Director
SIGNATURE METALS LIMITED



SIGNATURE METALS

- 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 over 1.27 million ounces (Table 1).
- 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 over 15,000 metres of drilling completed and a substantial number of high grade results received.
- Mining designs and schedule being re-optimised to maximise operating margins.
- Onsite CIL plant being recommissioned at a fraction of the cost of purchasing a new/second hand plant. Lead time to commissioning envisaged to be 6 months.
- Environmental studies progressing rapidly, Environmental Impact Study to be submitted to the EPA this quarter.

¹*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.*

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.