

## ASX Release

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Thursday December 2010

**SIGNATURE METALS  
LIMITED**

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**Issued Capital:**  
1,859 million shares

**ASX Symbol:** SBL

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# AIRCORE DRILLING COMMENCES AT KONONGO

Signature Metals Limited is pleased to announce that drilling has recommenced at its Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana.

The first drilling to be carried out is an aircore programme testing mineralisation identified by geological mapping, sampling and trenching as part of a sustained greenfields exploration campaign by the Company's exploration team during the last few months.

Importantly these prospects lie outside the deposits identified in the project area which contain 1.47 million ounces of gold in Indicated and Inferred Mineral Resources (detailed in Table 1). The prospects to be drill tested are shown on Figure 1 and include<sup>1</sup>:

- **Bimma South – trench results of 2 metres at 39.8g/t gold, 2 metres at 4.80g/t gold and 54 metres at 0.22g/t gold.**
- **Kyereben – trench results of 8 metres at 3.84g/t gold (within a wider intercept of 64 metres at 0.64g/t gold), 22 metres at 1.52g/t gold and 22 metres at 1.48 g/t gold.**
- **Kyekyewere – Structural target along the Ashanti Shear Zone which hosts the +50Moz Obuasi Deposit (Anglogold Ashanti).**
- **Boabedroo West – trench results of 2 metres at 11.7g/t gold, 2 metres at 4.24g/t gold, 14 metres at 0.3g/t gold and 30 metres at 0.24g/t gold.**

The Company also plans to commence an RC programme in the new year subject to rig availability. This programme is currently being designed. Both aircore and RC drilling will be carried out by Ausdrill's (ASX:ASL) subsidiary African Mining Services.

The Company looks forward to updating the market with results from the aircore drilling as soon as they are received.

Bill Oliver  
Managing Director  
**SIGNATURE METALS LIMITED**

## **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. The mining license has recently been extended to 2023.
- 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 Q1 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 almost 1.47 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>2</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.

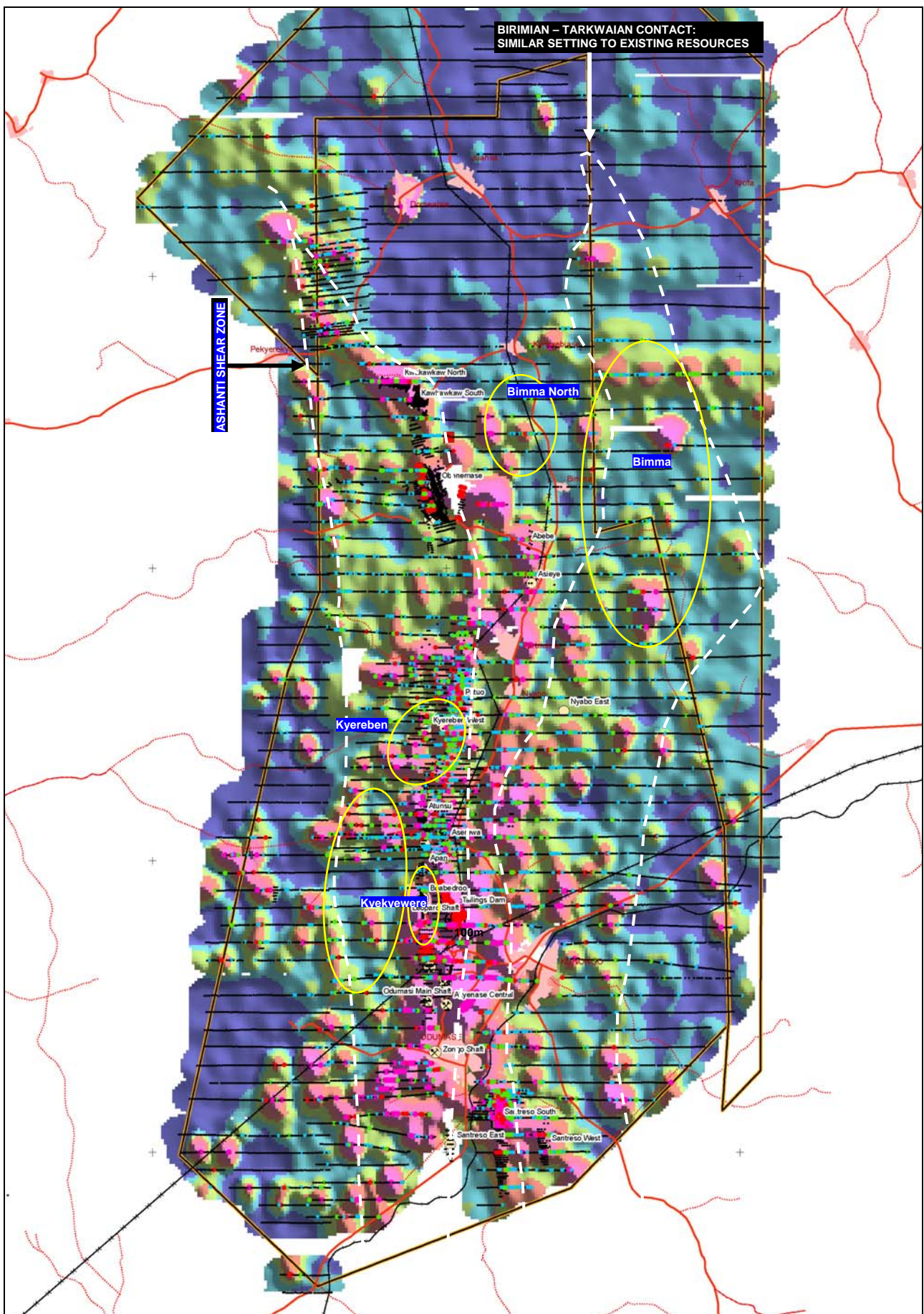
<sup>1</sup>These results were previously announced on 13 September 2010 "Exploration Update".

<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. 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 Australasian 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 'Australasian 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 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.

**Figure 1. Plan showing results of soil geochemical surveys within the Konongo Gold Project and exploration prospects assessed to date.**



**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>Boabedroo</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.*