SIGNATURE
METALS LIMITED

ABN: 86 106 293 190

Annual Report

30 June 2012

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Corporate Directory

BOARD OF DIRECTORS

Soo Khoon Raymond Tan	(Non-Executive Chairman)
Mark Gillie	(Executive Director)
Choy Yin Wong	(Executive Director)
William Alan Oliver	(Non-Executive Director)
Roland Kenneth Selvanayagam	(Non-Executive Director)
Denis Edmund Clarke	(Non-Executive Director)
Theo Christodoulou	(Alternative Executive Director)

Company Secretary

Adrian Di Carlo

Registered Office and Principal Place of Business

Level 1, 333 Collins Street
Melbourne, Victoria 3000, Australia
Telephone: +61 1300 784-494
Facsimile: +61 (03) 8672 6632

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000, Australia
Telephone: + 61 1300 787 272
Facsimile: + 61 8 9323 2033

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia

Stock Exchange Listing

Signature Metals Limited shares
are listed on the Australian Securities Exchange,
ASX ticker code: SBL

Directors' Report

The Directors present their report for Signature Metals Limited ('Signature Metals" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2012.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Soo Khoon Raymond Tan

Non-Executive Chairman

Mr. Raymond Tan joined the Company as Non-Executive Director on 25 June 2012 and was appointed Chairman on 14 September 2012. Raymond is currently a partner and the head of the corporate and commercial department of Robert Wang & Woo LLP. He is an independent director of Asiasons WFG Financial Ltd and Annica Holdings Limited. He acts for public listed companies in their corporate and corporate finance activities, and advises the boards of directors of public listed companies in areas of compliance and corporate governance.

Ms Choy Yin Wong

Executive Director

Ms Wong Choy Yin joined the Company as Executive Director on 03 April 2012. Choy Yin is the Chief Financial Officer of LionGold Corp Ltd. She was an executive director of LionGold Corp Ltd from 30 January 2007 to 31 July 2012 and the Financial Consultant of a corporate and management advisory services company. Throughout her 20 years of working experience, she had acquired operational, supervisory and management experience in diverse fields such as audit, entertainment, construction, manufacturing, transportation, oil palm, rubber and cocoa plantations, and palm oil mills. She holds a professional qualification from the Chartered Institute of Management Accountants (UK) and a Master of Business Administration from the University of Keele (UK). She is also a member (Chartered Accountant) of the Malaysian Institute of Accountants.

Mr. William Alan Oliver

Non-Executive Director

Mr. Bill Oliver has over 12 years experience in the international resources industry working for both major and junior companies. Bill has wide-ranging exploration experience across a number of commodities including expertise in near-mine exploration/resource extension and resource definition as well as significant experience in the technical and economic evaluation of resources projects. He holds an honours degree in geology from the University of Western Australia as well as a postgraduate diploma in finance and investment from FINSIA. He is a member of the Australasian Institute of Minerals and Metallurgy as well as the Australian Institute of Geoscientists. He is currently a Director of View Resources Limited.

Mr. Roland Kenneth Selvanayagam

Non-Executive Director

Mr. Roland Selvanayagam joined the Company as Non-Executive Director on 03 April 2012. Roland is an independent and non-executive director of LionGold Corp Ltd. He is also a director of a company listed on the Malaysian stock exchange. He has more than 30 years broad commercial experience managing companies in Malaysia, Sri Lanka & Thailand. Amongst his previous employers are the BAT group, Sears Roebuck group and the Mayora Indah group of Indonesia. He is a professionally qualified accountant having qualified from London in 1980. He has served on other boards in South Africa, Sri Lanka & Thailand.

Dr Denis Edmund Clarke

Non-Executive Director

Dr Denis Clarke joined the Company as Non-Executive Director on 14 September 2012. Dr Clarke is currently the Non-Executive Chairman of both Hill End Gold Limited and Cullen Resources Limited, companies whose shares are listed and quoted for trading on the ASX. He was a director of Anglo Australian Resources NL, BCD Resources NL, BCD Resources (Operations) NL and Troy Resources Limited in the past 3 years. He has a Ph.D. (Geology) from Stanford University and has over 40 years' experience in senior technical, financial and corporate positions in the mining and exploration industry in Australia and overseas. He played a significant role in the growth of Plutonic Resources Limited, which developed into one of Australia's largest gold producers before being absorbed by Homestake Mining Company. Subsequently as director and consultant he contributed to the rapid growth of Troy Resources Limited from small explorer to a very successful mid-tier international gold miner.

Mr. Mark Gillie

Executive Director

Mr. Mark Gillie joined the Company as Executive Director on 03 April 2012 and will resign as a director of the Company on 30 September 2012. Mark is an Australian mining professional and has over 25 year of experience in the mining and exploration industry. He was previously the Director of African Operations of LionGold Corp Ltd. His experience and skill sets are both broad and deep as he has been involved in all aspects of the industry from operational level to Chief Executive. He has extensive experience in Africa, having spent the last 20 years of his career in that region. He was appointed as the Investec Bank Representative on-site at the Bibiani Gold Mine in Ghana, with operational control of the mine until its eventual disposal to Noble. He was CEO of Digital Mining Services and Rift Mining in Africa. He has been involved in the area of artisanal mining and has overseen projects involving the transformation of small scale mining operations in Africa into organized and formal artisanal mining operations.

Mr. Theo Christodoulou

Alternative Executive Director

With the Board's approval, Mr. Mark Gillie appointed Mr. Theo Christodoulou as an Alternate Director of the Company on 03 April 2012 and will resign on 30 September 2012. Theo was previously Director of Corporate Development in LionGold Corp Ltd. Theo is a Chartered Accountant by training and has an MBA from Duke University (USA). Theo has worked at PWC and Deutsche Bank where he served as Director (and Head of Metals and Mining) from 2005 to 2010. Theo has extensive experience in advising on mining initiatives, project finance planning and management, M&A, IPO and BEE structuring across Africa.

Mr. Sing En Richard Chan

Chairman

Mr. Richard Chan joined the Company as Director on 11 October 2011 and resigned on 25 June 2012. Mr Chan completed a Bachelor of Science, Business Administration majoring in Finance and Marketing at the Pepperdine University in California in 1987 and has since gained extensive corporate experience. He was the CEO and Director of Singapore public listed company CarrierNet Global Limited, and a Director of ASX listed Millepede International Limited.

Ms. Su-Yin Quah

Non-Executive Director

Ms. Quah joined the Company on 8 November 2011 and resigned on 3 April 2012. Ms. Quah holds a Master of Business Administration from the Australian Graduate School of Management, Bachelor of Laws and Bachelor of Economics from the University of Adelaide and a Graduate Diploma in Legal Practice from the University of South Australia. She has been admitted as a legal practitioner to the Supreme Court of South Australia and an advocate and a solicitor to the Malaysian Bar.

Mr Matthew Wood

Chairman

Mr. Wood has more than 18 years experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood's expertise is in project identification, negotiation, acquisition and corporate development. Mr Wood has an honours degree in geology from the University of New South Wales in Australia and a graduate certificate in mineral economics from the Western Australian School of Mines. Mr. Wood resigned from the Board on 13 February 2012.

Mr Tim Flavel

Executive Director

Mr Flavel is a Chartered Accountant and Company Secretary, with more than 20 years experience in the mining industry and accounting profession both in Australia and overseas. Mr Flavel assists a number of resources companies operating throughout Australia and Africa with financial accounting, securities exchange compliance and regulatory activities. Mr. Flavel resigned from the Board on 1 December 2011.

Mr Stuart Murray

Non Executive Director

Mr Murray has a degree in Chemical Engineering from Imperial College, London. Mr Murray has over 20 years in the mining industry in Australia and Africa and possesses a wealth of African commercial and operating experience. Mr Murray resigned from the Board on 11 October 2011.

Company Secretaries

Mr Adrian Di Carlo

Mr Adrian Di Carlo joined the Company as Company Secretary on 03 April 2012 with 19 years corporate and management experience. Adrian advises and has appointments as company secretary for ASX listed entities with the firm Company Matters Pty Limited. Adrian has also held accounting and commercial positions within the Wesfarmers Limited group over a 13 year period, and also worked for the Barrick Gold/Antofagasta Minerals joint venture Tethyan Copper. Adrian is a Chartered Company Secretary (ACIS) and Certified Practising Accountant (CPA), and holds a Bachelor of Business and a Master of Business Administration degrees from Curtin University, and also holds a Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia.

Mr Francis Scott Funston

Mr Funston was Company Secretary from the beginning of the year until his resignation on 03 April 2012.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, no director has any interests in the shares and options of Signature Metals Limited.

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Signature Metals Limited for the year was $1,228,139 (2011: $2,717,166).

DIVIDENDS

No dividend was paid or declared by the Group in the period since the end of the previous financial year and up to the date of this report.

CORPORATE STRUCTURE

Signature Metals Limited is a company limited by shares that is incorporated and domiciled in Australia. Signature Metals Limited is 76.22% owned by LionGold Corp Limited.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of companies within the group during the financial year were mineral exploration and examination of new resource opportunities. During the year, the principal focus was the development of the Konongo Gold Project in Ghana.

EMPLOYEES

The Group had 556 employees as at 30 June 2012 (2011:419).

REVIEW OF OPERATIONS

KONONGO GOLD PROJECT, GHANA

The Company's main project is the Konongo Gold Project in Ghana, which contains 16 known gold deposits along 12 kilometres of strike of the world class Ashanti Gold Belt. The project currently contains approximately 1.47 million ounces of gold in JORC compliant resources (23.4 million tonnes at 1.95g/t gold in the Indicated and Inferred categories). Considerable infrastructure remains on site including an operating 350ktpa CIL processing plant as well as access to power, water and sealed roads.

PRODUCTION

During the year the Company continues to ramp up production at the Konongo Gold Project with the aim of moving into continuous commercial production. Production increased on a quarter-by-quarter basis throughout the year, and significantly the Project produced at a rate of 1,000 ounces per month in the June 2012 Quarter. To date the Company has received over US$14 million in revenues from sale of gold.

	September Qtr	December Qtr	March Qtr	June Qtr
Tonnes processed	88,271	67,854	59,125	59,891
Rate (tonnes / day) [1]	1,051	837	873	776
Availability	91%	88%	74%	85%
Gold added to Circuit (oz)	1,582	1,966	2,226	3,553

Trial mining of oxide material from the Kyereben Pit has made a quantum improvement in the profitability of the operation, when compared to the material fed to the plant earlier in the year. The tailings previously mined, hauled and treated yielded recoveries typically between 50 – 60%, consistently below the 60% targeted for this material. The improvement in gold recovered and progress being made in production at the Project can be seen in the summary table below which shows production by month from January 2012 to June 2012:

	January	February	March	April	May	June
Tonnes processed	22,394	16,400	20,331	20,750	20,695	18,445
Rate (tonnes / day) [1]	887	836	873	867	788	672
Availability	81%	68%	75%	80%	85%	91%
Grade	1.88	1.79	2.01	2.21	1.98	2.25
Recovery	50%	58%	53%	76%	79%	73%
Gold produced (oz)	677	546	700	1,123	1,047	971

During the year, the June Quarter was similar to that in the March Quarter at approximately 60,000 tonnes of ore. Significantly, plant availability improved to 85% from 74% in the March quarter mainly reflecting improvements in the availability and quality of power. The primary causes of downtime for the processing plant were power outages due to fluctuation in grid power supplies as well as maintenance issues with backup generators and managing the wet and clay-rich nature of the oxide ore to ensure a consistent throughput. Power loss is partly due to local transmission line faults and the Company has engaged with local power providers to review the proposed construction of a dedicated transmission line to the plant, while assisting the Power utility with line maintenance works. The clay-rich oxide ore caused blinding of the screens in the crushing plant, and material hanging up in chutes in the mill feed.

The Company's new crushing plant arrived on site during the year and was commissioned during the March Quarter. The crushing circuit is now fully operational as is the gravity circuit.

MINING

During the year the Company commenced trial mining of the Atunsu North Deposit, a deposit discovered by the Company's geologists (initially named Kyereben West). During the December Quarter the Company carried out surface trenching to infill and validate the drilling results near surface. Results from this trenching were encouraging and led the Company to consider the potential to trial surface mining at Atunsu North as part of the plant scale trials associated with commissioning of the crusher. Approvals were received during the March Quarter to proceed with an open cut mine at Atunsu North and an initial batch of ore comprising almost 3,700 tonnes was mined and processed. Total recovery for this material was 90% from a head grade of approximately 2.7 g/t gold. Based on these results the Company decided to commence a more extensive trial mining project at Atunsu North, and the deposit provided bulk of the mill feed for the June Quarter.

In addition to Atunsu North (formally named Kyereben West), the Company continues to assess the shallow oxide mining potential of the Boabedroo South Extended. The Boabedroo South Extended area has required surface exploration to validate the resource model and infill near-surface data. The current JORC compliant indicated and inferred resource at Boabedroo South Extended is approximately 2,855,800 tonnes at 2.31g/t gold. The portion identified for initial trial mining is 163,000 tonnes at 1.98g/t gold.

During the year tails mining was systematically phased out due to the issues with recovery discussed above.

EXPLORATION

During the year the Company's exploration efforts focussed on targets with the potential to host shallow oxide mineralisation and alluvial reconnaissance sampling. Trenching was carried out at the Atunsu North, Kyereben, Patuo, Leopard, Boabedroo South Extended, Kwakawkaw, Obenekwakwa, Deathwish, Obenemase D lode and Pekyrekye. Soil sampling was also carried out at the the Kwakawkaw structural flexure to better define a 3km long anomalous geochemical zone for trench and/or drill targeting and along the poorly explored, highly prospective Ashanti Shear targeting a regional flexure in the shear and an adjacent arsenic anomaly. Results received have been detailed and discussed in the Quarterly Activity Reports during the year.

Trenching at Boabedroo South Extended infilled the existing drilling and trenching data to further increase control on the mineralisation at surface. The mineralisation at surface is continuous and includes discrete zones of thicker, higher grade ore - short strike length plunging shoots of higher grade mineralisation within the structurally controlled enveloping surface. The aim of the programme was to delineate an area for trial surface mining.

Subsequent to the reporting period a Reverse Circulation (RC) drill rig arrived on site in early July to commence a 5,000m RC program focussing on brown field targets and validating greenfield prospects. Results will be released as they are received, and results from the first 3 holes were included in the June Quarterly Activities Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 30 September 2011 the Company announced that it had executed a Subscription Agreement for the private placement of 352,770,680 shares at a price of 1.5 cents per share to raise $5.29m. Funds raised pursuant to the Placement had been used as working capital and to fund its subsidiary, Owere Mines Ltd in Republic of Ghana, to ramp up to commercial production relating to its Konongo Gold Project.

On 14 October 2011 the Company announced it had entered into a Bid Implementation Deed with LionGold Corp Ltd to which LionGold Corp Ltd would make offers for all the issued and outstanding shares in Signature.

On 10 April 2012 the Company announced that it has entered into a loan agreement of A$453,000 as working capital.

On 29 March 2012, the Company announced an aggregate approximately 76.22% of the shareholders accepted LionGold Corp Ltd's Offer. LionGold Corp Ltd has indicated its continuing support to upgrade Konongo Gold Project in Republic of Ghana.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 27 July 2012 the Company announced that it has entered into an intercompany loan facility with LionGold Corp Ltd, its holding company, for a loan of up to US$11.0 million. The purpose of the loan is to fund its subsidiary, Owere Mines Ltd, on Konongo Gold Project in Republic of Ghana to achieve commercial production. The loan amount includes $5,037,397 already advanced to the Group at 30 June 2012. The loan is not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years. The loan is unsecured.

On 04 September 2012, the Company announced the resignation of Mr. Mark Gillie and Mr. Theo Christodoulou effective 30 September 2012.

On 14 September 2012, Mr. Soo Khoon Raymond Tan was appointed as Non-Executive Chairman and Dr Denis Edmund Clarke has been appointed as Non-Executive Director.

Subsequent to year end, LionGold, the major shareholder of Signature Metals Limited agreed with a minority shareholder in Owere Mines Limited ("Owere") that the inter-company balance of $43,000,537 between Signature Metals and Owere will be owed to and payable to Signature Metals and the minority shareholder in the following proportion 80:20 respectively. The final terms of repayment are yet to be agreed upon. The accounting impact of the arrangement will be reflected in future financial periods once the terms and conditions for repayment are finalised.

There have been no other significant events after the balance date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company. The Company is not aware of any significant breaches in relation to environmental matters.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under legislation in a number of jurisdictions. The Group has formal procedures in place to ensure regulations are adhered to.

SHARE OPTIONS

At the date of this report, there were 46,333,333 unissued ordinary shares under options (46,333,333 at the reporting date).

The details of the options at the date of this report are as follows:

Number	Exercise Price	Issue Date	Expiry Date
333,333	0.65	14 April 2005	14 April 2013
20,000,000	0.03	29 November 2007	28 September 2012
9,000,000	0.03	15 November 2007	14 November 2012
17,000,000	0.02	18 June 2010	31 December 2013
46,333,333			

No option holder has any right under the options to participate in any other share issue of the Group or any other entity.

During the financial year 55,000,000 options were exercised at $0.015 to acquire fully paid ordinary shares. Since the end of the financial year no options have been exercised. During the financial year 333,333 options at an exercise price of $0.65 has expired. No options have expired since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has made an agreement indemnifying all the Directors and officers of the Group against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Group to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	**Appointed on**	**Resigned on**	Number of Meetings Eligible to Attend	Number of Meetings Attended
Soo Khoon Raymond Tan	25 June 2012	-	0	0
Choy Yin Wong	03 April 2012	-	0	0
Roland Kenneth Selvanayagam	03 April 2012	-	0	0
William Alan Oliver	01 October 2008	-	0	0
Mark Gillie*	03 April 2012	-	0	0
Theo Christodoulou*	03 April 2012	-	0	0
Sing En Richard Chan	11 October 2011	25 June 2012	0	0
Su-Yin Quah	08 November 2011	03 April 2012	0	0
Matthew Gaden Western Wood	19 February 2007	13 February 2012	0	0
Timothy James Flavel	19 February 2007	01 December 2011	0	0
Stuart Angus Murray	28 September 2007	11 October 2011	0	0

***** As announced on 4 September 2012, Mark Gillie and Theo Christodoulou will be resigning on 30 September 2012

During the year, the Directors made decisions as required by way of written resolutions. Meetings of Directors have been held subsequent to the end of the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 53 of this report.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Signature Metals Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company and the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) and executives in the Group.

Details of Key Management Personnel

Key management personnel	Title	Appointment	Resignation
Soo Khoon Raymond Tan	Non-Executive Chairman	25 June 2012	
Matthew Gaden Western Wood	Executive Director	19 February 2007	13 February 2012
Sing En Richard Chan	Executive Director	11 October 2011	25 June 2012
Timothy James Flavel	Executive Director	19 February 2007	1 December 2011
William Alan Oliver	Non-Executive Director	1 October 2008	
Mark Gillie*	Executive Director	3 April 2012	
Theo Christodoulou*	Alternative Executive Director	03 April 2012	
Choy Yin Wong	Executive Director	3 April 2012	
Stuart Angus Murray	Non-Executive Director	28 September 2007	11 October 2011
Su-Yin Quah	Non-Executive Director	8 November 2011	3 April 2012
Roland Kenneth Selvanayagam	Non-Executive Director	3 April 2012	
Denis Edmund Clarke	Non-Executive Director	14 September 2012	
Francis Scott Funston	Company Secretary	07 May 2007	3 April 2012

***** As announced on 4 September 2012, Mark Gillie and Theo Christodoulou will be resigning on 30 September 2012

There are no other changes in the key management personnel other than disclosed above.

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and Executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not directly link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors. The expected outcome of this remuneration structure is to retain and motivate Directors.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The Board will review and approve:

I. Short and long-term remuneration for the executive directors;
II. Superannuation arrangements for the executive directors;
III. Any termination payments to be made to the executive directors; and
IV. The development of any equity based plan to apply to the executive directors.

The Board will review and approve remuneration policies for non-executive directors following the receipt of external advice as considered necessary from time to time. There has been no external advice provided in the year. Directors receive directors fees and the superannuation guarantee contribution (SGC) required by the government. The SGC is currently 9% of fees paid in cash and the directors do not receive any other retirement benefits.

Non-Executive Director Fees are determined and payable within an aggregate Directors' fee pool limit, which are required to be approved by shareholders in general meeting if the limit is changed.

It is not the Company's policy to pay bonuses or retirement benefits (other than superannuation) to non-executive directors.

The table below shows the performance of the Group as measured by earnings/(loss) per share since 30 June 2007:

As at 30 June	2012	2011	2010	2009	2008
Earnings/(Loss) per share (cents)	(0.05)	(0.15)	(0.27)*	(0.29)*	(0.25)*

*The number of shares used for loss per share calculation in the loss per share calculations was adjusted using an adjustment factor of 1.045 times to reflect the impact of the bonus element of a share issue in 2011.

Details of the nature and amount of each element of the emolument of key management personnel of the Group for the financial year are as follows:

	Short Term			Options	Post Employment		
	Base Salary $	Directors Fees $	Consulting Fees $	Share Based Payments $	Superannuation $	Total $	Option Related %
2012							
Soo Khoon Raymond Tan	-	411	-	-	-	411	-
Choy Yin Wong	-	43,890	-	-	-	43,890	-
Roland Kenneth Selvanayagam	-	6,096	-	-	-	6,096	-
William Alan Oliver	-	-	250,000	-	-	250,000	-
Mark Gillie*	-	-	-	-	-	-	-
Theo Christodoulou*	-	-	-	-	-	-	-
Sing En Richard Chan	-	-	-	-	-	-	-
Su-Yin Quah	-	-	-	-	-	-	-
Matthew Gaden Western Wood	-	-	-	-	-	-	-
Timothy James Flavel	-	-	-	-	-	-	-
Stuart Angus Murray	-	-	-	-	-	-	-
Francis Scott Funston	-	-	45,000	-	-	45,000	-
	-	50,397	295,000	-	-	345,397	-
2011							
Matthew Gaden Western Wood	-	-	96,000	165,000	-	261,000	63
William Alan Oliver	-	-	235,000	82,500	-	317,500	26
Timothy James Flavel	-	-	92,000	165,000	-	257,000	64
Stuart Angus Murray	-	-	30,000	41,250	-	71,250	58
Francis Scott Funston	-	-	60,000	-	-	60,000	-
	-	-	513,000	453,750	-	966,750	-

***** As announced on 4 September 2012, Mark Gillie and Theo Christodoulou will be resigning on 30 September 2012

There were no other key management personnel of the Group other than those disclosed above during the years ended 30 June 2012 and 30 June 2011. No remuneration is performance related.

No options were granted during the year affecting remuneration in the previous, this or future reporting periods.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. 333,333 options at an exercise price of $0.65 expired during the year (2011: nil).

Share issued on exercise of rights

30 June 2012	Shares issued No.	Paid per share $	Unpaid per share $	Share price at the day exercise $
Director				
Matthew Gaden Western Wood	20,000,000	0.015	-	0.02
William Alan Oliver	10,000,000	0.015	-	0.02
Timothy James Flavel	20,000,000	0.015	-	0.02
Stuart Angus Murray	5,000,000	0.015	-	0.02
Total	55,000,000			

Executive Directors

Ms. Choy Yin Wong's remuneration is $15,000 per month during the financial year. There is no employment contract between the Group and Ms. Wong.

Mr. Mark Gillie's remuneration is included within the fees paid to Stellar Services Limited. Stellar Services Limited under an agreement with the Company, provides technical support and geological services. The total fees paid to Stellar Services Limited during the financial year ended 30 June 2012 amounted to US$164,000.

For the former executive directors who have resigned during the year, Mr. Matthew Wood and Mr. Tim Flavel, there was no remuneration paid for executive directors services during the year.

Non-Executive Directors

Mr. Bill Oliver is employed under a consulting services agreement and is paid an annual fee of $240,000 per annum. The agreement may be terminated by either party by giving three (3) months' notice in writing. During the year, the Company has varied the terms of the consulting services agreement which took effect from 1 April 2012 and will conclude on 30 September 2012. Under the variation of terms, Mr. Oliver shall remain with the Group as a Non-Executive Director and be paid a monthly fee of $10,000 for the tenure of the agreement. In addition, Mr. Oliver is also compensated with a one-off payment of $40,000 for his untaken leave entitlements.

Mr. Roland Kenneth Selvanayagam, Mr. Soo Khoon Raymond Tan and Mr. Denis Edmund Clarke are each paid an annual fee of $25,000. There is no employment contract between the Group and Mr. Selvanayagam , Mr. Tan and Mr. Clarke.

Mr. Theo Christodoulou has not been paid for services during the year. There is no employment contract between the Group and Mr. Christodoulou.

For the former non-executive directors who have resigned during the year, Mr. Richard Chan, Mr. Stuart Murray and Ms Su Yin Quah, there was no remuneration paid for services during the year.

Other Executives

Mr. Scott Funston was remunerated on a monthly basis. The services were terminated during the year.

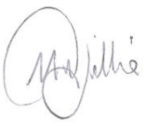
END OF REMUNERATION REPORT

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.
Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Other services	13,000

Signed in accordance with a resolution of the directors.



Mark Gillie
Executive Director
28 September 2012

Competent Person Statement

The information in this report 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.

Corporate Governance Statement

The Board of Directors are responsible for the corporate governance of Signature Metals. The Board considers good corporate governance a matter of high importance. In reviewing the corporate governance structure of the Company, the Board is guided by the Australian Securities Exchange's (ASX) Corporate Governance Principles and Recommendations (ASX Principles and Recommendations) and Signature Metals follows the ASX Principles and Recommendations to the extent that it is practicable.

Where Signature Metal's corporate governance practices do not correlate with the ASX Principles and Recommendations it is because the Board does not consider it practical or necessary to implement those recommendations and where a recommendation has not been followed the reasons for the departure has been explained.

1. THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT ROLE OF THE BOARD

The Board's role is to govern the Company. The Board delegates to management the day to day management of the operations of the Company's business. In governing the Company, the Directors must act in the best interests of the Company as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. In addition, it is the intention that Non-Executive Directors receive formal letters of appointment setting out the key terms, conditions, responsibilities and expectations of their appointment.

Responsibilities of the Board

The Board is ultimately responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The Board delegates authority to senior executives to carry out specific duties in support of the objectives of the Company.

Board responsibilities are set out in the Company's Board Charter which is located on the Company's website under "Corporate Governance".

It is the role of senior executives and management to manage the day to day operations of the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Where meetings of Directors are not held, the Directors make decisions by way of written resolutions.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all the Company's information and its executives. Further, the Board collectively and each Director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at Signature Metals' expense, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Education and Induction

New Directors undergo an induction process in which they are given a full briefing on the Company. Where possible, this will include meetings with key executives, and a due diligence package and presentations from management.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

Performance Review/Evaluation

Senior Executive's performance is to be reviewed annually, with performance appraised by the Executive Directors. Performance reviews were not undertaken during the 2012 financial year given the changes to the Company's management and personnel, however, it is the Company's intention to review senior executives performance for the next financial year.

PRINCIPLE 2: THE BOARD IS STRUCTURED TO ADD VALUE

Signature Metals currently has six Directors at the date of this Annual Report: Mr. Raymond Tan holds the position of Non-Executive Chairman, Mr. Mark Gillie (Mr. Gillie's tenure as director ends on 30 September 2012) and Ms Choy Yin Wong hold the roles of Executive Directors, and the remaining three Directors; Mr. Roland Selvanayagam, Mr. William Oliver and Mr. Dennis Clarke are Non-Executive Directors.

All incumbent Directors bring a balanced judgment to bear in Board deliberations and the current representation is considered adequate given the stage of the Company's development. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. It is the approach and attitude of each Non-Executive Director which determines independence and this must be considered in relation to each Director, while taking into account all other relevant factors.

In assessing independence, the Board has taken into consideration the relationships affecting independent status pursuant to the ASX Principles and Recommendations. The Chairman Raymond Tan is an Independent Non-Executive Director and there is a clear division of responsibility between the Chairman and the CEO & Executive Director. Mr. Denis Clarke is considered independent. Mr. Roland Selvanayagam is not independent because Mr. Selvanayagam is a director of LionGold Corp. Ltd, a substantial shareholder in the Company. The Executive Director Ms Choy Yin Wong is not independent as Ms Wong is employed in an executive capacity. As at the date of this Annual Report, Mark Gillie is also employed in an executive capacity as an Executive Director and is also not independent. The Company acknowledges that a majority of the board is not independent, however, it considers that its composition is appropriate for its stage of development.

Further details about the current Directors' skills, experience and period of office are set out in the Directors' Report section of this Annual Report.

The Board has not established a nomination committee as it is considered appropriate that this function is undertaken by the Board given the Company's stage of development.

The Company did not undertake a formal performance review process of the Board and its individual directors throughout the financial year as the Company intends to perform this review for the next financial year.

3. THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

As part of its commitment to recognising, the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company's integrity, Signature Metals has an established Code of Conduct (Code) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are beaches of the Code. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This

Code governs Signature Metals' operations and the conduct of Directors, employees, consultants, contactors and all other people when they represent the Company.

The Board, management and all employees of the Company are committed to implementing this Code and each individual is accountable for such compliance.

A copy of the Code is available on the Company's website under "Corporate Governance".

Diversity Policy

The Company has adopted a Diversity Policy which the Company intends to be a commitment to actively seek to maintain a diverse workforce to create a workplace that is fair and inclusive, applies fair and equitable employment practices and provides a working environment that will allow all employees to reach their full potential.

The Company is of the view that any measurable statistical objectives on a diverse workforce must be fit for purpose, in line with the Company's strategic objectives. As at the date of this Annual Report, the Company is of the opinion that measurable objectives are not appropriate at its present stage of development, however, the Company will consider implementation of measurable objectives in future.

Due to the size and scale of operations of the Company, the Board believes that a longer term gender diversity objective is more appropriate.

As at the date of this Annual Report, 17% of Board, 10% of employees and 2% of senior executives are women. The Company will review gender diversity at a Board and senior executive level in future years as the Company aims to progress from exploration to production.

Trading in Signature Metals Securities

The Company has established a Trading Policy for its Directors, senior executives, employees, consultants and contractors of the Company which is appropriate for a company whose shares are admitted to trading on the ASX.

A copy of the Trading Policy is can be located on the Company's website under "Corporate Governance."

PRINCIPLE 4: THE BOARD SAFEGUARDS INTEGRITY IN FINANCIAL REPORTING

The Board has not established an audit committee at this time, as it is considered appropriate that this function is undertaken by the Board given the Company's stage of development. The Board Charter sets out the guidance for the Board in relation to the audit and risk management function, and sets out the Board's responsibilities to observe the policies and procedures for the selection, appointment and re-appointment of the external auditor and the rotation of external audit engagement partners.

The relevant skills and experience of the Board, and in particular those with relevant financial experience is set out in the Directors Report section of this Annual Report.

PRINCIPLE 5: THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

The Company's Continuous Disclosure Policy is designed to ensure that procedures are in place to ensure compliance with ASX Listing Rule disclosure requirements. The Executive Director and the Company Secretary have been designated as persons responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

A summary of the Continuous Disclosure Policy is available on the Company's website under "Corporate Governance."

PRINCIPLE 6: THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Signature Metals respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company communicates with its shareholders continually and periodically and encourages shareholder participation at annual general meetings. The independent external auditor attends the Annual General Meeting to respond to questions from shareholders on the conduct of the audit and the preparation and content of the audit report. The Company has established a Shareholder Communications Policy which is available in the "Corporate Governance" section on the Company's website.

PRINCIPLE 7: THE BOARD RECOGNISES AND MANAGES RISK

The Company is committed to the identification, monitoring and management of material business risks of its activities The Board oversees the Company's management of risks. Through this oversight function and management reporting process, the Board reviews the areas of material business risks and aims to ensure, where applicable, that management has appropriate measures in place to protect the assets of the Company.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non financial-information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control. As part of the audit processes and review throughout the year, the Board receives feedback that management has provided assurances to the auditors in relation to financial risks within the overall risk management framework.

Attestations by Executive Director and Chief Financial Officer

In accordance with Recommendation 7.3 of the ASX Principles and Recommendations, the CEO/Executive Director and CFO (or equivalents) periodically provide formal statements to the Board that in all material aspects:

- the company's financial statements present a true and fair view of the company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board has not established a remuneration committee at this time, as it is considered appropriate that this function is undertaken by the Board given the Company's size and stage of development. Remuneration activities undertaken by the Board are made with reference to the Board Charter which sets out guidelines.

It is the Company's objective to provide maximum stakeholder benefit from the retention of high quality directors and senior executives by remunerating directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective the Board aims to link the nature and amount of executive and directors' emoluments to the Company's financial and operational performance.

For details of the structure of remuneration of Non-Executive Directors and Executive Directors and senior executives please refer to Remuneration Report section in the Directors' Report.
There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors if payable.

Statement of Comprehensive Income *for the year ended 30 June 2012*

	Notes	Consolidated	
		2012	2011
		$	$
Revenue from continuing operations			
Interest income		24,530	116,122
Revenue		**24,530**	**116,122**
Listing and share registry expenses		(87,342)	(124,922)
Accounting and audit fees		(79,319)	(71,337)
Legal fees		(115,654)	(14,670)
Consulting fee expense		(35,659)	(52,359)
Foreign exchange loss		(418,154)	(176,200)
Directors and employees benefits		(238,247)	(845,534)
Expense from remeasuring the contingent consideration from Owere Mines acquisition		(176,254)	(1,156,453)
Finance cost		(9,060)	-
Administrative expenses	3	(256,832)	(406,050)
Loss from continuing operations before income tax		**(1,391,991)**	**(2,731,403)**
Income tax expense	4	-	-
Loss from continuing operations after income tax		**(1,391,991)**	**(2,731,403)**
Other Comprehensive loss			
Foreign currency translation		(6,834,086)	(3,747,139)
Other comprehensive loss for the year		**(6,834,086)**	**(3,747,139)**
Total comprehensive loss for the year		**(8,226,077)**	**(6,478,542)**
Loss for the year is attributable to:			
Owners of Signature Metals Limited		(1,228,139)	(2,717,166)
Non-controlling interest		(163,852)	(14,237)
		(1,391,991)	**(2,731,403)**
Total comprehensive income for the year is attributable to:			
Owners of Signature Metals Limited		(5,699,604)	(6,244,897)
Non-controlling interest		(2,526,473)	(233,645)
		(8,226,077)	**(6,478,542)**
Earnings / (loss) per share:			
Basic and diluted loss per share (cents per share)	22	(0.05)	(0.15)

Statement of Financial Position *as at 30 June 2012*

	Notes	Consolidated 2012 $	2011 $
CURRENT ASSETS			
Cash and cash equivalents	18	996,706	4,794,068
Trade and other receivables	5	1,695,933	1,381,402
Inventories	6	672,020	719,380
TOTAL CURRENT ASSETS		**3,364,659**	**6,894,850**
NON CURRENT ASSETS			
Trade and other receivables	5	1,671,087	859,730
Mineral properties in development	8	26,139,399	-
Reclamation bonds	9	197,693	-
Deferred exploration and evaluation expenditure	10	-	18,447,068
Property, plant and equipment	11	8,057,856	8,503,980
TOTAL NON CURRENT ASSETS		**36,066,035**	**27,810,778**
TOTAL ASSETS		**39,430,694**	**34,705,628**
CURRENT LIABILITIES			
Trade and other payables	12	8,609,224	2,232,799
Interest bearing loan	13	469,454	-
Provisions	14	211,678	113,937
TOTAL CURRENT LIABILITIES		**9,290,356**	**2,346,736**
NON CURRENT LIABILITIES			
Other payables	12	1,778,574	1,602,319
TOTAL NON CURRENT LIABILITIES		**1,778,574**	**1,602,319**
TOTAL LIABILITIES		**11,068,930**	**3,949,055**
NET ASSETS		**28,361,764**	**30,756,573**
EQUITY			
Issued capital	16	60,195,661	54,364,393
Reserves	15	(3,513,788)	957,677
Accumulated losses	17	(26,481,861)	(25,253,722)
PARENT INTERESTS		**30,200,012**	**30,068,348**
Non controlling interests		(1,838,248)	688,225
TOTAL EQUITY		**28,361,764**	**30,756,573**

Statement of Cash Flows *for the year ended 30 June 2012*

	Notes	Consolidated 2012 $	Consolidated 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(644,431)	(1,008,688)
Interest received		24,530	116,122
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18	(619,901)	(892,566)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,424,008)	(8,334,506)
Proceeds from gold sales during the development phase		13,852,384	-
Reclamation bond		(197,693)	-
Expenditure on exploration, evaluation and development		(26,485,265)	(13,621,383)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(14,254,582)	(21,955,889)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		6,116,560	25,790,407
Share issue costs		(161,929)	(1,654,161)
Proceeds from borrowings and advances		5,540,644	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		11,495,275	24,136,246
Net increase in cash and cash equivalents		(3,379,208)	1,287,791
Cash and cash equivalents at beginning of year		4,794,068	3,682,477
Net foreign exchange variances on cash		(418,154)	(176,200)
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	**996,706**	**4,794,068**

Statement of Changes in Equity *for the year ended 30 June 2012*

Consolidated	Issued capital $	Accumulated losses $	Foreign currency translation reserves $	Option reserves $	Share based payment reserves $	Contingent consideration reserve $	Total $	Non-controlling interest $	Total equity $
At 1 July 2011	**54,364,393**	**(25,253,722)**	**(3,368,436)**	**550**	**3,811,159**	**514,404**	**30,068,348**	**688,225**	**30,756,573**
Loss for the year	-	(1,228,139)	-	-	-	-	(1,228,139)	(163,852)	(1,391,991)
Other comprehensive income	-	-	(4,471,465)	-	-	-	(4,471,465)	(2,362,621)	(6,834,086)
Total comprehensive loss for the period	-	(1,228,139)	(4,471,465)	-	-	-	(5,699,604)	(2,526,473)	(8,226,077)
Transactions with owners in their capacity as owners									
Issue of ordinary shares	5,291,560	-	-	-	-	-	5,291,560	-	5,291,560
Exercise of options	825,000	-	-	-	-	-	825,000	-	825,000
Transaction costs on share issue	(285,292)	-	-	-	-	-	(285,292)	-	(285,292)
At 30 June 2012	**60,195,661**	**(26,481,861)**	**(7,839,901)**	**550**	**3,811,159**	**514,404**	**30,200,012**	**(1,838,248)**	**28,361,764**
At 1 July 2010	**30,190,770**	**(22,536,556)**	**159,295**	**550**	**3,357,409**	**514,404**	**11,685,872**	**921,870**	**12,607,742**
Loss for the year	-	(2,717,166)	-	-	-	-	(2,717,166)	(14,237)	(2,731,403)
Other comprehensive income	-	-	(3,527,731)	-	-	-	(3,527,731)	(219,408)	(3,747,139)
Total comprehensive loss for the period	-	(2,717,166)	(3,527,731)	-	-	-	(6,244,897)	(233,645)	(6,478,542)
Transactions with owners in their capacity as owners									
Issue of ordinary shares	25,730,407	-	-	-	-	-	25,730,407	-	25,730,407
Exercise of options	60,000	-	-	-	-	-	60,000	-	60,000
Share based payments	-	-	-	-	453,750	-	453,750	-	453,750
Transaction costs on share issue	(1,616,784)	-	-	-	-	-	(1,616,784)	-	(1,616,784)
At 30 June 2011	**54,364,393**	**(25,253,722)**	**(3,368,436)**	**550**	**3,811,159**	**514,404**	**30,068,348**	**688,225**	**30,756,573**

1. CORPORATE INFORMATION

The financial report of Signature Metals Limited ("Signature Metals" or "the Company") and its controlled entities ("the Group") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 28 September 2012.

Signature Metals Limited is a for profit Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and the principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis. The presentation currency is Australian dollars.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2012 of $1,391,991 (2011: $2,731,403) and experienced net cash outflows from operating activities of $619,901 (2011:$892,566). At 30 June 2012, the Group had net current liabilities of $5,925,697 (2011: net current assets of $4,548,114). The cash position of the Group at 30 June 2012 was $996,706. In order to continue as a going concern the Group requires additional funding.

The Directors of the Company consider the going concern basis to be appropriate as subsequent to balance date, LionGold Corp Ltd ("LionGold"), the ultimate parent entity, has confirmed its intent not to recall any part of the inter-company payable to the Group (being $5,037,397 in total at 30 June 2012) by converting the payable to a 5 year term loans as disclosed in note 12. LionGold also committed to provide the Company with ongoing financial support if required in order to ensure that the Group is able to operate and meet its obligations for a period of at least 12 months from the date of signing this financial report. With the financial support from LionGold, the Directors believe the production at the Konongo Project will become stable and deliver the desired results.

With this regard, in order for LionGold to meet the funding requirements of the Group and continue to provide financial support it is undertaking the following activities:

- On 4 September 2012, LionGold announced a 1:4 rights issue of warrants which would raise initial net proceeds of S$14.2 million from up to 224 million warrants at S$0.065 each. Up to a further S$300 million would be raised, should all of these warrants be exercised within three years from their issue date. The issue is not underwritten.
- On 10 September 2012, LionGold has entered into an agreement with another Singapore-listed company, Annica Holdings Ltd, to negotiate the sale up to 75% stake in Industrial Power Technology Pte Ltd (IPT). Negotiations have been on-going, and the Directors are optimistic that the deal will conclude.
- LionGold expected to receive further payment from the sale of its interests in two of its green power businesses, Think Greenergy and Think Environmental in accordance with sales contract dated 1 June 2011. With the resolution of financing issues, the buyer has pledged to pay the balance of S$10 million sale proceed on or before 31 December 2012.

Should the necessary financial support not be received from LionGold, there is significant uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statement do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Compliance statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Changes in accounting policies and disclosures

In the year ended 30 June 2012, the Group has adopted all of the new and adopted Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2012:

Reference	Title	Summary	Impact on Group financial report	Application date for Group
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2012
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. ► Consequential amendments were also made to other standards via AASB 2011-7.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Reference	Title	Summary	Impact on Group financial report	Application date for Group
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. (a) Consequential amendments were also made to other standards via AASB 2011-8.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 2012-5	Annual Improvements 2009–2011 Cycle	This standard sets out amendments to various Standards and the related bases for conclusions and guidance The following items are addressed by this standard: AASB1 First-time Adoption of International Financial Reporting Standards • Repeated application of AASB 1 • Borrowing costs AASB 101 Presentation of Financial Statements • Clarification of the requirements for comparative information AASB 116 Property, Plant and Equipment • Classification of servicing equipment AASB 132 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments AASB 134 Interim Financial Reporting Interim financial reporting and segment information for total assets and liabilities	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Reference	Title	Summary	Impact on Group financial report	Application date for Group
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013*
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard removes the requirements to include individual key management personnel disclosures in the notes to and forming part of the Financial Report.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Reference	Title	Summary	Impact on Group financial report	Application date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

*AASB ED 215 Mandatory effective date of IFRS 9 proposes to defer the mandatory effective date of AASB 9 from annual periods beginning 1 January 2013 to annual periods beginning on or after 1 January 2015, with early application permitted. At the time of preparation, finalisation of ED 215 is still pending by the AASB. However, the IASB has deferred the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015, with early application permitted.

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Signature Metals Limited and its subsidiaries as at 30 June each year ('the Group').

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Group, using consistent accounting policies.

In preparing the consolidated financial statements, all inter company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(e) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment and deferred exploration and evaluation expenditure

Property, plant and equipment and deferred exploration and evaluation expenditure are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The Group conducts an annual review of asset values, which is used as a source to assess for any indicators of impairment. Factors such as changes in gold prices, production performance and mining and processing costs are monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value inn use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Net realisable value of inventories

The Group reviews the carrying value of inventories regularly to ensure that the carrying value is the lower of cost and net realisable value. In determining net realisable value various factors are taken into account including sale prices and costs to complete inventories to their final form.

Production start date

The Group assesses the stage of the mine under construction to determine when the mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of the construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete, ready for its intended use. At this time, any costs capitalised to 'deferred exploration and evaluation expenditure' are reclassified to 'mine development' and 'property, plant and equipment'. Some of the criteria will include, but are not limited, to the following:

- Availability of the plant
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce metal in saleable form (within specifications)
- Ability to sustain ongoing production of metal at commercial rates of production

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expenses, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at that point that depreciation / amortisation commences.

Share based payment transactions

The group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 28.

Functional currency translation reserve

Under the accounting standards, each entity within the Group is required to determine its functional currency of the primary economic environment in which the entity operates. Management considers the Ghanaian subsidiary to be a foreign operation with Ghanaian Cedi as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Signature Metals Limited.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each item to its present location and condition are accounted for as follows:

- Raw material – purchase cost on a first-in first-out basis; and

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sale.

No account is taken of any gold residue residing in plant and equipment (eg pumps). No gold inventory is recognised until the Group starts commercial production.

(i) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable and when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. Bad debts are written off when identified.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the consolidated entity.

(k) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options are deducted from equity.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty.

The following specific recognition criteria must also be met before revenue is recognised:

Gold Sales

Revenue from the sale of gold is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. Revenue is measured at the fair value of the consideration received or receivable. Given the mine property is still in development, the proceeds from the sales of gold is net off against the mineral properties instead of separately recognised as a revenue in the Statement of Comprehensive Income.

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(n) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised on the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income except where it relates to items that may be charged or credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss for the period.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(q) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares (‘equity settled transactions’).

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 28.

In valuing equity settled transactions, no account is taken of any performance or service conditions.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').
The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.
Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share (refer note 22).

(r) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Signature Metals Limited is Australian dollars. The functional currency of the overseas subsidiaries is Ugandan Shillings and the Ghanaian Cedi.

Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale where applicable.

(s) Financial liabilities arising under asset purchase agreement

Financial liabilities arising under asset purchase agreement are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Expected cash flows under the financial liabilities are remeasured when applying the amortised cost method.

(t) Impairment of non-financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(u) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.
Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(v) Mineral properties in development

Upon completion of mine construction, the assets are transferred into property, plant and equipment or mineral properties. Items of property, plant and equipment and mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

When a mine construction project moves into the production stage, the captialisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

(w) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Derecognition

Additions of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of comprehensive income.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	10 - 25 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

(x) Borrowings costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit and loss.

(y) Comparatives

Certain comparative information has been reclassified to conform to the current year presentation.

	Consolidated 2012 $	2011 $
3. Administrative expenses		
Travel and accommodation	11,645	109,386
Printing and stationary	46,279	7,439
Insurance	19,974	16,090
Telephone and communications	8,213	11,975
Rent and outgoings	96,000	96,000
Conferences and seminars	10,670	13,950
General administrative expenses	62,165	149,865
Other	1,886	1,345
Total administrative expenses	**256,832**	**406,050**

4. Income Tax

Income tax expense

	2012 $	2011 $
Major component of tax expense for the year:		
Current income tax	-	-
Deferred income tax	-	-
Income tax reported in the statement of comprehensive income	**-**	**-**

Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable tax rate is as follows:

	2012 $	2011 $
Loss from continuing operations before income tax expense	(1,391,991)	(2,731,403)
Tax at the statutory income tax rate of 30%	(417,597)	(819,421)
Other deductible amounts not recognised	(145,434)	-
Expense of remuneration options	-	136,125
Income tax benefit not recognised	563,031	683,296
Income tax expense	**-**	**-**

	Consolidated 2012 $	2011 $
Deferred Tax		
Statement of financial position: The following deferred tax balances have not been brought to account:		
Liabilities		
Foreign exchange gain	-	-
Capitalised exploration expenditure	7,270,391	4,696,904
Offset by deferred tax assets	(7,270,391)	(4,696,904)
Deferred tax liability	**-**	**-**
Assets		
Losses available to offset against future taxable income	8,365,362	6,816,916
Foreign exchange loss	135,585	52,860
Share issue costs deductible over five years	-	481,957
Accrued expenses	113,952	33,323
	8,614,899	7,385,056
Deferred tax assets offset against deferred tax liabilities	(7,270,391)	(4,696,904)
Deferred tax asset not recognised	1,344,508	2,688,152
Unrecognised deferred tax assets	1,344,508	2,688,152

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and

(iii) no changes in tax legislation in Australia, adversely affect the Group in realising the benefit from the deductions for the losses.

Tax Consolidation

Signature Metals Limited and its 100% owned Australian resident subsidiaries have not formed a tax consolidated group.

5. Trade and Other Receivables

	2012 $	2011 $
Current		
GST receivables	18,699	44,428
Advance to suppliers	1,178,493	1,319,177
Deposit	24,588	-
Other receivables	474,153	17,797
	1,695,933	**1,381,402**

Advance to suppliers, goods and services tax and other receivables are non-interest bearing and generally receivable on 30 day terms. The balances are neither past due nor impaired and are fully collectible. Due to the short term nature, their carrying value is assumed to approximate their fair value.

	Consolidated 2012 $	2011 $
Non-current		
VAT Receivable	**1,671,087**	**859,730**

VAT receivables will be received when the Group commence commercial production and the Ghanaian Revenue Authority completes its audit to confirm the value of VAT claimed.

As at 30 June 2011 and 30 June 2012, the Group's carrying value of financial assets are approximately the same value as their fair value.

6. Inventories

	2012 $	2011 $
Supply inventories at cost	**672,020**	**719,380**

7. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(d). Details of subsidiary companies are as follows:

Name	Country of incorporation	% Equity Interest 2012	2011
Uganda Minerals Pty Ltd	Australia	100%	100%
Embuyaga Exploration Ltd	Uganda	100%	100%
Owere Mines Limited	Ghana	70%	70%
Kenya Exploration Pty Ltd	Australia	100%	100%

8. Mineral properties in development

	2012 $	2011 $
Carrying amount at the beginning of period	-	-
Transfer from Deferred Exploration and Evaluation Expenditure at 1 July 2011	18,447,068	-
Foreign exchange difference	(1,630,872)	-
Expenditure during the period	23,175,587	-
Revenue from sale of gold	(13,852,384)	-
Carrying amount at the end of period	**26,139,399**	**-**

During the period, Deferred Exploration and Evaluation Expenditure was reclassified to Mineral Properties in Development.

As the project has not yet reached the commercial production stage, costs incurred on the project were continued to be capitalised. Non incidental revenue during the development phase are offset against costs capitalised.

9. Reclamation bond

	2012 $	2011 $
Reclamation bond	197,693	-

As at 30 June 2012, the Group's carrying value of financial assets are approximately the same value as their fair value.

	Consolidated 2012 $	2011 $
10. Deferred exploration and evaluation expenditure		
Carrying amount at the beginning of period	18,447,068	9,096,752
Foreign exchange difference	-	(3,304,586)
Expenditure during the period	-	12,654,902
Transfer to Mineral Properties in Development at 1 July 2011	(18,447,068)	-
Carrying amount at the end of period	**-**	**18,447,068**

During the period, Deferred Exploration and Evaluation Expenditure was reclassified to Mineral Properties in Development.

11. Property, plant and equipment

	2012 $	2011 $
Land		
Cost	3,672	4,514
Accumulated depreciation	-	-
Net carrying amount	3,672	4,514
Plant and Equipment		
Cost	8,429,651	8,710,403
Accumulated depreciation	(375,467)	(210,937)
Net carrying amount	8,054,184	8,499,466
Total Property, Plant and Equipment	**8,057,856**	**8,503,980**
Movements in Property, Plant and Equipment		
Land		
Opening balance	4,514	5,808
Net exchange differences on translation	(842)	(1,294)
Closing balance	3,672	4,514
Plant and Equipment		
Opening balance	8,499,466	719,319
Additions	1,336,503	8,106,516
Net exchange differences on translation	(1,617,255)	(222,945)
Depreciation charge for the year	(164,530)	(103,424)
Closing balance	8,054,184	8,499,466
Total Property, Plant and Equipment	**8,057,856**	**8,503,980**

	Consolidated	
	2012	2011
	$	$

12. Trade and Other Payables

Current		
Trade creditors	1,982,927	1,726,353
Accruals	1,588,900	506,446
Amount due to holding company	5,037,397	-
	8,609,224	**2,232,799**

Trade and other payables are contractually matured within 30 days. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. The amount due to the holding company is non-trade, unsecured, interest free and has no fixed term of repayment. On 27 July 2012, the Company entered into the intercompany loan facility with holding company. The loan is non-trade, unsecured and not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years.

Non Current		
Financial liability arising under asset purchase agreement	**1,778,574**	**1,602,319**

The Group recognised deferred consideration on the option agreement to purchase 70% of the Konongo Gold Project. Refer note 30. The deferred consideration is recognised as a financial liability at amortised costs at an effective interest rate of 12% to be paid in 2016.

13. Interest bearing loan

Interest bearing loan	**469,454**	**-**

During the year, the Company entered into a loan agreement with 1 year maturity at an interest rate of 8% per annum, with interest payments payable quarterly by the Company.

14. Provisions

Current		
Employee entitlements	**211,678**	**113,937**

15. Reserves

Share based payment reserve	3,811,159	3,811,159
Foreign currency translation reserve	(7,839,901)	(3,368,436)
Contingent consideration reserve	514,404	514,404
Option reserve	550	550
	(3,513,788)	**957,677**

	Consolidated	
	2012	2011
	$	$
Movements		
Share based payments reserve		
Balance at 1 July	3,811,159	3,357,409
Share based payment expense	-	453,750
Balance at end of year	3,811,159	3,811,159
Foreign currency translation reserve		
Balance at 1 July	(3,368,436)	159,295
Foreign currency translation	(4,471,465)	(3,527,731)
Balance at 30 June	(7,839,901)	(3,368,436)
Option reserve		
Balance at 1 July	550	550
Balance at 30 June	550	550
Contingent consideration reserve		
Balance at 1 July	514,404	514,404
Balance at 30 June	514,404	514,404

Nature and purpose of reserves

Share based payment reserve

The share based payment reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 28 for further details of the plan.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Option reserve

The Options Premium reserve is used to record the premium paid on the issue of unlisted options on 18 October 2006 that expired on 31 December 2008, less any of those options exercised.

Contingent consideration reserve

The contingent consideration reserve is used to record the equity component of the consideration payable for the purchase of 70% of the Konongo Gold Project. Refer to note 30.

	Consolidated	
	2012	2011
	$	$

16. Issued Capital

(a) Issued and paid up capital

	2012 $	2011 $
Ordinary shares fully paid	**60,195,661**	**54,364,393**

	2012		2011	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movements in ordinary shares on issue				
At 1 July	2,351,804,534	54,364,393	1,185,451,868	30,190,770
Placement at $0.02	-	-	670,681,856	13,413,637
Placement at $0.025	-	-	492,670,810	12,316,770
Placement at $0.015	352,770,680	5,291,560	-	-
Exercise of options	55,000,000	825,000	3,000,000	60,000
less share issue costs	-	(285,292)	-	(1,616,784)
At 30 June	2,759,575,214	60,195,661	2,351,804,534	54,364,393

Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

Share options

Information relating to the Signature Metals Ltd Employee Share Option Plan, including details of options issued under the plan, is set out in note 28.

At the date of this report, there were 46,333,333 unissued ordinary shares under options (2011: 101,666,666 options).
The details of the options at the date of this report are as follows:

Number	Exercise Price	Issue Date	Expiry Date
333,333	0.65	14 April 2005	14 April 2013
20,000,000	0.03	29 November 2007	28 September 2012
9,000,000	0.03	15 November 2007	14 September 2012
17,000,000	0.02	18 June 2010	31 December 2013
46,333,333			

No option holder has any right under the options to participate in any other share issue of the Group or any other entity.

During the financial year 55,000,000 options were exercised at $0.015 to acquire fully paid ordinary shares (2011: 3,000,000 options at $0.02). Since the end of the financial year no options have been exercised. During the financial year 333,333 options at an exercise price of $0.65 expired (2011: 333,333 options at $0.65).

Capital risk management

The Group’s capital comprises share capital, reserves less accumulated losses amounting to $28,361,764 at 30 June 2012 (2011: $30,756,573). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was not subject to any externally imposed capital requirements. Refer to note 26 for further information on the Group’s financial risk management policies.

	Consolidated	
	2012	2011
	$	$
17. Accumulated losses		
Movement in accumulated losses were as follows:		
Balance at 1 July	(25,253,722)	(22,536,556)
Loss for the year	(1,228,139)	(2,717,166)
Balance at 30 June	**(26,481,861)**	**(25,253,722)**

18. Cash and Cash equivalents

	2012	2011
Reconciliation of cash		
Cash comprises of:		
Cash on hand	7,317	83,417
Cash at bank	989,389	4,710,651
	996,706	**4,794,068**

The fair value is equal to the carrying value.

	2012	2011
Reconciliation of net profit / (loss) after tax to the net cash flows from operations		
Loss after tax	(1,391,991)	(2,731,403)
Non-cash items		
Foreign exchange (gain) / loss	418,154	176,200
Share based payment	-	453,750
Contingent consideration expense	176,254	1,156,453
Depreciation	1,886	1,345
Changes in assets and liabilities		
Trade and other receivables	(14,535)	792
Trade and other creditors	190,331	50,297
Net cash flows from operating activities	(619,901)	(892,566)

19. Expenditure commitments

(a) Expenditure commitments

During the financial year 2012, the group entered into a fitout contract for the renovation of the office located at Suite 2.01, Level 2, 689 Burke Road, Camberwell.

	Consolidated 2012 $	Consolidated 2011 $
Within one year	70,600	-
	70,600	-

(b) Rental and services agreement

During the year the Group renewed a service agreement for certain administrative services and office space for a term of two years with Garrison Capital Pty Ltd. In April 2012, the Company terminated this agreement by servicing a three (3) months written notice.

The Company has entered into a separate three (3) years Lease Rental Agreement with 689 Burke Road Pty Ltd commencing from 28 May 2012.

	2012 $	2011 $
Payable not later than one year	83,692	96,000
Payable later than one year and not later than five years	145,075	48,000
	228,767	144,000

(c) Executive remuneration commitments

At 30 June 2012, there are no executive remuneration commitments (2011: $60,000).

20. Contingent Liabilities

There are no known contingent liabilities at the date of this report (2011: nil).

21. Subsequent Events

On 27 July 2012 the Company announced that it has entered into an intercompany loan facility with LionGold Corp Ltd, its holding company, for a loan of up to US$11.0 million. The purpose of the loan is to fund its subsidiary, Owere Mines Ltd, on Konongo Gold Project in Republic of Ghana to achieve commercial production. The loan is not repayable before 5 years except in limited circumstances with interest at 6% only commencing after 3 years. The loan is unsecured.

On 04 September 2012, the Company announced the resignation of Mr. Mark Gillie and Mr. Theo Christodoulou effective 30 September 2012.

On 14 September 2012, Mr. Soo Khoon Raymond Tan has been appointed as Chairman and Dr Denis Edmund Clarke has been appointed as non-executive director.

Subsequent to year end, LionGold, the major shareholder of Signature Metals Limited agreed with a minority shareholder in Owere Mines Limited ("Owere") that the inter-company balance of $43,000,537 between Signature Metals and Owere will be owed to and payable to Signature Metals and the minority shareholder in the following proportion 80:20 respectively. The final terms of repayment are yet to be agreed upon. The accounting impact of the arrangement will be reflected in future financial periods once the terms and conditions for repayment are finalised.

There have been no other significant events after the balance date.

22. Loss per Share

Loss used in calculating basic and diluted EPS	(1,228,139)	(2,717,166)

	Number of Shares	
	2012	2011
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	2,602,600,845	1,822,159,768
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	2,602,600,845	1,822,159,768

There is no impact from 46,333,333 options outstanding at 30 June 2012 (2011: 101,666,666 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

The rights issue during 2011 was performed at discounted prices. The number of shares used for loss per share calculation in the loss per share calculations was adjusted using an adjustment factor of 1.045 times to reflect the impact of the bonus element of a share issue in 2011.

23. Auditors Remuneration

The auditor of Signature Metals Limited is Ernst & Young (Australia). The Auditor of the subsidiary, Owere Mines Limited is Ernst & Young (Australia).

	Consolidated	
	2012	2011
	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for the audit and review of the financial report of the entity and any other entity in the Group	49,000	33,000
Amounts received or due and receivable by Ernst & Young (Australia) for the other non-audit services to the entity and any other entity in the Group	13,000	-
Amounts received or due and receivable by Ernst & Young (Ghana) for the audit and review of the financial report of the subsidiary	33,000	20,727
Total	95,000	53,727

24. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Key management personal	Title	Appointment	Resignation
Soo Khoon Raymond Tan	Chairman	25 June 2012	
Matthew Gaden Western Wood	Executive Director	19 February 2007	13 February 2012
Sing En Richard Chan	Executive Director	11 October 2011	25 June 2012
Timothy James Flavel	Executive Director	19 February 2007	1 December 2011
William Alan Oliver	Non-Executive Director	1 October 2008	
Mark Gillie*	Executive Director	3 April 2012	
Theo Christodoulou*	Alternative Executive Director	03 April 2012	
Choy Yin Wong	Executive Director	3 April 2012	
Stuart Angus Murray	Non-Executive Director	28 September 2007	11 October 2011
Su-Yin Quah	Non-Executive Director	8 November 2011	3 April 2012
Roland Kenneth Selvanayagam	Non-Executive Director	3 April 2012	
Denis Edmund Clarke	Non-Executive Director	14 September 2012	
Francis Scott Funston	Company Secretary	07 May 2007	3 April 2012

***** As announced on 4 September 2012, Mark Gillie and Theo Christodoulou will be resigning on 30 September 2012

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	Consolidated	
	2012	2011
	$	$
Short term employee benefits	345,397	513,000
Share based payments	-	453,750
Total remuneration	345,397	966,750

(c) Share holdings Key Management Personnel

The number of shares in the Company held during the financial year by each key management personnel of Signature Metals Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

	Balance at the start of the period No.	Granted during the period as compensation No.	Exercise of options during the period No.	Other changes during the period* No.	Balance at the end of the period No.
30 June 2012					
Matthew Gaden Western Wood	63,868,328	-	20,000,000	(83,868,328)	-
William Alan Oliver	1,624,220	-	10,000,000	(11,624,220)	-
Timothy James Flavel	21,750,000	-	20,000,000	(41,750,000)	-
Stuart Angus Murray	-	-	5,000,000	(5,000,000)	-
Francis Scott Funston	1,059,688	-	-	(1,059,688)	-

	Balance at the start of the period No.	Granted during the period as compensation No.	Exercise of options during the period No.	Other changes during the period* No.	Balance at the end of the period No.
30 June 2011					
Matthew Gaden Western Wood	58,062,115	-	-	5,806,213	63,868,328
William Alan Oliver	1,312,500	-	-	311,720	1,624,220
Timothy James Flavel	21,750,000	-	-	-	21,750,000
Stuart Angus Murray	-	-	-	-	-
Francis Scott Funston	1,000,000	-	-	59,688	1,059,688

* All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(d) Option holdings of Key Management Personnel

The numbers of options over ordinary shares held during the financial year by each director and specified executive of the Company, including their personally related parties, are set out below:

	Balance at the start of the period No.	Granted during the period as compensation No.	Exercise of options during the period No.	Other changes during the period No.	Balance at the end of the period No.
30 June 2012					
Matthew Gaden Western Wood	20,000,000	-	(20,000,000)	-	-
William Alan Oliver	10,000,000	-	(10,000,000)	-	-
Timothy James Flavel	20,000,000	-	(20,000,000)	-	-
Stuart Angus Murray*	25,000,000	-	(5,000,000)	(20,000,000)	-
30 June 2011					
Matthew Gaden Western Wood	20,000,000	-	-	-	20,000,000
William Alan Oliver	10,000,000	-	-	-	10,000,000
Timothy James Flavel	20,000,000	-	-	-	20,000,000
Stuart Angus Murray	25,000,000	-	-	-	25,000,000

* Mr Murray held 20,000,000 options 11 October 2011 when he resigned. He is not considered key management personnel from this date.

There were no other key management personnel to disclose for the years ended 30 June 2012 or 30 June 2011. The share options are not subject to a performance hurdle as these options are issued as a form of retention bonus and incentive to contribute to the creation of shareholder wealth.

(e) Other transactions with Key Management Personnel

Stellar Services Limited, a Company of which Mr. Gillie's is an employee was paid consulting fees of US$164,000 during the year (2011: $0).

Garrison Capital Pty Ltd, a company of which Mr. Wood and Mr. Flavel are directors, provided the Company with a fully serviced office including administration and information technology support totalling $96,000 (2011: $96,000) and reimbursement of payments for accounting services, courier and other minor expenses, at cost $24,816 (2011: $27,673). $9,504 was outstanding at year end (2011: $15,292).

Warrior Consulting Pty Ltd, a company of which Mr. Flavel is a Director, was not paid consulting fees during the year (2011: $92,000).
Mineral Quest Pty Ltd, a company of which Mr. Wood is a Director, was not paid consulting fees during the year (2011: $96,000) and reimbursement of payments, at cost, for phone services $2,955 (2011: $4,950).

Billandbry Consulting Pty Ltd, a company of which Mr. Oliver is a Director, was paid consulting fees of $250,000 during the year (2011: $235,000). This amount is included in Note 24(b) “Remuneration of Key Management Personnel”. $10,000 was outstanding at year end (2011: $20,000).

Resourceful International Consulting Pty Ltd, a Company of which Mr. Funston is a Director was paid consulting fees of $45,000 during the year (2011: $60,000). This amount is included in Note 24 (b) “Remuneration of Key Management Personnel”.

25. Related Party Disclosures

For Director related party transactions please refer to Note 24 “Key Management Personnel Disclosures”. There were no other related party transactions during the year.

The ultimate parent entity is LionGold Corp Ltd. There was an advance from LionGold. Refer to note 12 for the terms and conditions of the advance.

Refer to note 7 for list of all subsidiaries within the group.

26. Financial Risk Management

Exposure to interest rate, liquidity, foreign currency risk and credit risk arises in the normal course of the Group’s business. The Group does not hold or issue derivative financial instruments. The Group has no debt facilities outside of normal creditor trading terms and thus the board does not deem necessary a formal Capital Risk Management charter.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

Maturity analysis

Financial liabilities of the Group comprise trade, other payables, short term and long term financial liabilities. As at 30 June 2012 and 30 June 2011, trade and other payables are contractually matured within 12 months. The short term financial liabilities comprised of an interest bearing loan which due on 16 March 2013 and the advances from the holding company for its operations payable on demand at year end. Subsequent to year end, the Company has entered into a loan agreement with the holding company to convert the advances into a long term loan repayable after 5 years. The long term financial liability will be only settled when the operation of Owere Mines Limited reaches a set milestone as discussed in note 12 and note 30.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits.

	Consolidated	
	2012	2011
	$	$
Cash and cash equivalents	996,706	4,794,068

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Judgements of reasonably possible movements	Effect on Post Tax Loss ($) Increase / (decrease)		Effect on Equity including accumulated loss ($) Increase / (decrease)	
	2012	**2011**	**2012**	**2011**
Increase 100 basis points	9,967	47,941	9,967	47,941
Decrease 100 basis points	(9,967)	(47,941)	(9,967)	(47,941)

A *sensitivity* of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2011.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2012, the Group held cash, term deposits. These were held with an institution covered under the Banking Act 1959 with a rating from Standard & Poors of AA (long term). The Group has no past due or impaired debtors as at 30 June 2012 (2011: nil).

(d) Foreign Currency Risk

The Group has United States Dollar denominated bank accounts, advance to suppliers, amount due to holding company, amount due to a Director and trade creditors in Uganda and Ghana. The Group does not enter into any financial arrangement to mitigate these exposures to the foreign currencies. The exposure is as follows:

Cash and cash equivalents	816,017	2,216,482
Advance to suppliers	1,178,493	1,283,594
Amount due to holding company	(4,500,397)	-
Interest bearing loan	(344,454)	-
Trade payables	(1,788,847)	(1,555,233)
Net exposure	(4,639,188)	1,944,843

Foreign exchange *sensitivity*

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in foreign exchange rates, with all other variables constant.

Consolidated

Judgements of reasonably possible movements between the US Dollar, Australian Dollar and Ghanaian Cedis	Effect on Post Tax Loss ($) Increase / (decrease)		Effect on Equity including accumulated loss ($) Increase / (decrease)	
	2012	**2011**	**2012**	**2011**
Increase 10%	(463,919)	194,484	(463,919)	194,484
Decrease 10%	463,919	(194,484)	463,919	(194,484)

A sensitivity of 10% movement has been used as this is considered reasonable and is derived from a review of historical movements and management's judgement of future trends.

27. Segment Information

For management purposes, the Group is organised into one main operating segment, which involves mining and exploration for gold and other minerals. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue earned by the Group is generated in Ghana and all the Group's non current assets reside in Ghana.

28. Share Based Payment Plan

Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the period as part of share based payment expense were as follows:

	Consolidated	
	2012	2011
	$	$
Operating expenses		
Options issued as an incentive package to Directors	-	453,750

Employee share based payment plan

The fair value at grant date of options granted was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

There are no options granted and vested in 2012. The table below summaries options granted under the employee share based payment plan in 2010 and vested in 2011:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
11 December 2009	31 December2012	$0.015	55,000,000	-	55,000,000	-	-	-
			55,000,000	-	55,000,000	-	-	-
Weighted remaining contractual life (years)			2.5	-	-	-	-	-
Weighted average exercise price			$0.015	-	-	-	-	-

The model inputs, not included in the table above, for options granted during the year ended 30 June 2010 vested in 2011 included:

(a) options are granted for no consideration and have various vesting conditions and may be subject to escrow provisions;
(b) Expected life of options had a range of 3 years to 3.5 years;
(c) share price at grant date had a range of $0.02 to $0.036;
(d) expected volatility of 100%;
(e) expected dividend yield of Nil; and
(f) a risk free interest rate range of 4.72% to 4.89%.

29. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2012 (2011: nil).

The balance of the franking account is Nil as at 30 June 2012 (2011: nil).

30. Investment in subsidiary

On 3 August 2009, the Company announced it had reached agreement to acquire 70% of Owere Mines Limited. On the 21 December 2009 the Company exercised the option to acquire the interest and issued 50 million shares to Alpina Group Limited as consideration to acquire the interest. Under the terms of the agreement a further payment of 50 million shares or A$1 million cash will be made once the project achieves 1 million ounces in Measured and Indicated JORC resources (tranche 2). A final payment of A$3 million in cash or shares at the sellers' discretion will be made following the production of 100,000 ounces of gold from the project (tranche 3).

The acquisition did not constitute a business combination and the cost of acquisition was allocated to individual identifiable assets and liabilities on the basis of their relevant fair values.

31. Parent entity information

The following details information related to the parent entity, Signature Metals Limited, at 30 June 2012. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	Parent	
	2012	2011
	$	$
Current assets	234,214	4,606,297
Non current assets	36,015,365	28,060,478
Total Assets	**36,249,579**	**32,666,775**
Current liabilities	6,136,943	307,883
Non current liabilities	1,778,574	1,602,319
Total Liabilities	**7,915,517**	**1,910,202**
Net Assets	**28,334,062**	**30,756,573**

	Parent 2012	2011
	$	$
Issued capital	60,195,661	54,364,393
Share based payment reserve	3,811,159	3,811,159
Option reserve	550	550
Contingent consideration reserve	514,404	514,404
Accumulated losses	(36,187,712)	(27,933,933)
Total Equity	**28,334,062**	**30,756,573**
Loss for the year	(8,253,778)	(5,556,672)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	**(8,253,778)**	**(5,556,672)**

The parent entity has contractual obligations to outfit contract with A1 Office Fitouts for $70,600 at balance sheet date, (2011: nil) principally relating to the office renovation works. Refer to Note 19 for further details of the commitments. No contingent liabilities for the parent company.

Directors' Declaration

In accordance with a resolution of the Directors of Signature Metals Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Group as at 30 June 2012 and of its performance, for the year ended on that date; and

   (ii) complying with Accounting Standards (including the Australian Accounting Interpretation and the Corporations Regulations 2001;

   (b) subject to the achievement of matters set out in note 2(a) of the financial report there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

   (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2 (b);

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ending 30 June 2012.

On behalf of the Board

Mark Gillie
Executive Director

28th September 2012

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Auditor's Independence Declaration to the Directors of Signature Metals Limited

In relation to our audit of the financial report of Signature Metals Limited and its controlled entities for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

F Drummond
Partner
28 September 2012

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Independent audit report to members of Signature Metals Limited

Report on the financial report

We have audited the accompanying financial report of Signature Metals Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the Directors’ report.

Opinion

In our opinion:

a. the financial report of Signature Metals Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Signature Metals Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our audit opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 2 (a) to the financial report, there is material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth
28 September 2012

ASX Additional Information

Additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere in this report is as follows. The information is current at 20 September 2012.

Substantial Shareholders

Shareholder Name	Number of Shares	% of Issued Shares
LionGold Corp Ltd	2,103,290,510	76.22

Distribution of Shareholders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	200	63,003
1,001 - 5,000	200	490,397
5,001 - 10,000	51	386,050
10,001 - 100,000	637	32,167,576
100,001 - and over	835	2,726,468,188
TOTAL	1,923	2,759,575,214

There were 932 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Shareholders

Name	Number of Ordinary Shares held	%
LionGold Corp Ltd	2,103,290,510	76.22
Mr Jason Peterson & Mrs Lisa Peterson <J&L Peterson S/F a/c>	22,616,048	0.81
DMG & Partners Securities Pte Ltd <Non Clients A/C>	22,205,357	0.80
CR Investments Pty Ltd	20,000,000	0.72
Ms Rosemarie Cremona & Mr David White <Whitecremona s/f a/c>	16,204,000	0.59
Mr James Gordon Pearce + Mrs Pamela Joy Pearce <Tesco Pearce Pen Fund A/C>	13,181,250	0.48
Dr Ajita Kanthan	12,500,000	0.45
Celtic Capital Pty Ltd <The Celtic Capital A/C>	11,159,000	0.40
Mr Christopher Wayne Lutt	10,000,000	0.36
HSBC Custody Nominees (Australia)	9,090,000	0.33
Mr Richard Geoffrey Wilson	8,017,313	0.29
Mr David Blair White	7,768,547	0.28
Mr Michael Locke	6,964,831	0.25
Dr Vanessa Lam	6,600,000	0.24
Mr Kendal Warne	6,308,416	0.23
Ms Rosemarie Cremona	6,239,381	0.23
Citicorp Nominees Pty Limited	6,078,555	0.22
Ms Cew Pty Ltd <MSCEW Family Super Fund A/C>	5,760,000	0.21
Mrs Rosalie Buckley	5,500,000	0.20
Ms Franciska Lasic	4,500,000	0.16
Total Top 20	2,303,983,208	83.47

On-Market Buy Back
There is no current on-market buy back.

Voting Rights
All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Tenement Table

Tenement	Country	Project	Comment
ML749/03	Ghana	Konongo	Renewed until June 2023
PL6/296	Ghana	Kurofa	Granted, under application for renewal
EL232	Uganda	Kaabong	Cessation of working requirements granted in previous years, application pending for 2012
EL233	Uganda	Kotido	Cessation of working requirements granted in previous years, application pending for 2012
EL235	Uganda	ZWA	Cessation of working requirements granted in previous years, application pending for 2012
EL236	Uganda	Nebbi	Cessation of working requirements granted in previous years, application pending for 2012
EL249	Uganda	Kibaale	Cessation of working requirements granted in previous years, application pending for 2012
EL250	Uganda	Kibaale	Cessation of working requirements granted in previous years, application pending for 2012