SIGNATURE
METALS LIMITED

ABN: 86 106 293 190

Annual Report

30 June 2008

CONTENTS

Corporate Information

Directors

Matthew Wood (Executive Chairman)
Timothy Flavel (Executive Director)
Gary Steinepreis (Non Executive Director)
Stuart Murray (Non Executive Director)

Company Secretary

Scott Funston

Registered Office and Principal Place of Business

Level 2, 675 Murray Street
West Perth Western Australia
Telephone: +61 (08) 9481 0101
Facsimile: +61 (08) 9226 1356

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000 Australia

Telephone: + 61 8 9323 2000
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, the home branch being Perth
ASX code: SBL

Directors' Report

The Directors present their report for Signature Metals Limited ('Signature Metals" or "the Company") and its subsidiaries for the year ended 30 June 2008.

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 Matthew Wood

Chairman

Mr. Wood has more than 16 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 was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 15 August 2007), Overland Resources Limited (appointed 9 May 2005, resigned 30 June 2008) and Elk Petroleum Limited (appointed 19 January 2005, resigned 8 March 2007). Mr. Wood is currently a director of Black Range Minerals Limited (appointed 27 June 2005), Bellamel Mining Limited (appointed 16 May 2007) and Avanco Resources Limited (appointed 4 July 2007).

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 currently assists a number of resources companies operating throughout Australia and Africa with financial accounting, stock exchange compliance and regulatory activities. Mr Flavel has no other current or former directorships in the past three years.

Mr Gary Steinepreis

Non Executive Director

Gary Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant.

Mr Steinepreis provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Mr Steinepreis was a Director of Toodyay Resources Limited (appointed 22 December 2005, resigned 23 October 2007), Gawler Resources Limited (appointed 17 May 2006, resigned 27 November 2007), Deep Yellow Limited (appointed 20 August 2004, resigned 10 October 2005), GB Energy Limited (appointed 13 March 2006, resigned 29 August 2007), Western Metals Limited (appointed 3 October 2005, resigned 26 June 2006), Monitor Holdings Limited (appointed 16 April 2004, resigned 18 January 2007) and Karmelsonix Limited (appointed18 August 2003, resigned 21 November 2006). Mr Steinepreis is currently a Director of Southern Pacific Petroleum NL (appointed 11 October 2007), RMG Limited (appointed 31 January 2006), Black Fire Energy Ltd (appointed 29 November 2006), Avalon Minerals Ltd (appointed 20 December 2006) and Croesus Mining NL (appointed 12 July 2007).

Mr Stuart Murray – appointed 28 September 2007

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 is currently the Managing Director and Chief Executive Officer of Aquarius Platinum Limited.

Mr Scott Funston

Company Secretary

Mr Funston is a Chartered Accountant and Company Secretary with experience in the mining industry and accounting profession. His expertise is financial management and general corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists a number of resources companies operating throughout Australia, South America, USA and Canada with financial accounting, stock exchange compliance and regulatory activities.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the directors in the shares and options of Signature Metals Limited are:

Director	Ordinary Shares	Options – exercisable at 1 cent each on or before 31 December 2008	Options – exercisable at 1.5 cents each on or before 31 December 2009	Options – exercisable at 3 cents each on or before 31 November 2012
Gary Steinepreis	35,000,000	7,500,000	-	-
Matthew Wood	3,500,000	-	45,000,000	-
Tim Flavel	1,000,000	-	45,000,000	-
Stuart Murray	-	-	-	20,000,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Signature Metals Limited for the year was $1,067,602 (2007 – $584,507 profit).

DIVIDENDS

No dividend was paid or declared by the Company 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.

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 ongoing assessment of the Group's Ugandan properties and application for new mineral tenements in Kenya.

EMPLOYEES

The Group had no employees as at 30 June 2008 (2007: Nil).

REVIEW OF OPERATIONS

During the year the Company has worked towards assembling a package of quality resource projects in Africa. This strategy is bearing success with the Company now controlling large exploration licences and applications in Kenya and Uganda that are prospective for iron ore, nickel and copper.

On 28 September 2007 the Company announced it had acquired seven exploration concessions in Uganda. The concessions cover three distinct project areas: the Arua project in the northeast of Uganda, the Karamoja project located in the northwest of

Uganda and the Kibaale project located in the central portion of Uganda. A review of these concessions has focussed on geology, known mineral occurrences and exploration targets with the aim of identifying new zones of mineralisation.

The concessions are highly prospective based on the known mineral occurrences and the lack of modern exploration completed in Uganda. Potential for gold, copper, uranium and iron ore has been identified and will be the focus for the Company.

In Kenya, the Company has applied for a number of licences totalling close to 2,500km2. These licences are highly prospective for iron ore and nickel. Site investigations at the Taita Taveta Project (562 km2) have highlighted extensive iron ore mineralisation in the form of alluvials and banded iron formation. The Company is working towards the granting of these licences and will immediately commence exploration activities at such time. Initial work programmes will focus on identifying the extent of the iron formations and alluvials. An aeromagnetic survey and extensive sampling programme is currently being planned.

The Company announced on 28 September 2007 that Mr Stuart Murray had joined the Board as a non-executive director. Mr Murray brings a wealth of African commercial and operating experience to the Board of the Company and will assist in developing the Company strategy of creating an African focused resources Company. Mr Murray has an impeccable record as the Managing Director and Chief Executive Officer of Aquarius Platinum Limited and has been instrumental in the growth of that Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 28 September 2007 the Company announced the appointment of Stuart Murray as a non executive director and a change of focus for the Group to become an African focused resources group.

On 28 September 2007 the Company announced it had acquired seven exploration concessions in Uganda.

On 28 March 2008 the Company announced the Global Industry Classification Standard Code was changed from the Consumer Discretionary sector and Retailing industry group to the Materials sector and Materials industry group.

On 28 April 2008 the Company shareholders approved a change of name from Signature Brands Limited to Signature Metals Limited. The ASX trading code of “SBL” remained the same.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after 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.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

SHARE OPTIONS

At the date of this report, there were 206,770,601 unissued ordinary shares under options (206,770,601 at the reporting date).

The details of the options at reporting date are as follows:

Number	Exercise Price	Issue Date	Expiry Date
30,000	1.00	19 November 2003	31 December 2008
205,000	1.00	13 January 2004	31 December 2008
37,000	1.00	15 November 2004	14 November 2008
50,000	1.00	1 December 2004	31 December 2008
1,507,692	1.00	14 April 2005	31 December 2008
3,000,000	1.125	12 September 2005	1 December 2008
333,333	0.65	14 April 2005	14 April 2011
333,333	0.65	14 April 2005	14 April 2012
333,333	0.65	14 April 2005	14 April 2013
545,455	1.00	12 September 2005	31 December 2008
345,455	1.00	12 September 2005	31 December 2008
100,000	0.65	7 October 2005	31 December 2008
50,000	0.65	7 October 2005	31 December 2009
900,000	1.00	1 January 2006	31 December 2008
22,000,000	0.01	7 November 2006	31 December 2008
148,000,000	0.015	4 May 2007	31 December 2009
20,000,000	0.03	29 November 2007	28 September 2012
9,000,000	0.03	15 November 2007	14 September 2012
206,770,601			

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 6,000,000 options were exercised at $0.010025 to acquire fully paid ordinary shares. Since the end of the financial year, no options have been exercised. During the financial year 58,600 options at an exercise price of $1.50 expired. No options have expired since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company 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. 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	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Tim Flavel	4	4
Mr. Matthew Wood	4	4
Mr. Gary Steinepreis	4	3
Mr. Stuart Murray	2	2

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 are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and includes the executives in the Group receiving the highest remuneration.

Details of Key Management Personnel

Matthew Wood	Chairman
Timothy Flavel	Executive Director
Gary Steinepreis	Non Executive Director
Stuart Murray	Non Executive Director

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. 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 Company does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of the Company

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

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.

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				Post employment	
2008 *Directors*	Base Salary $	Share Based Payments $	Directors Fees $	Consulting Fees $	Superannuation $	Total $
Mr. Matthew Wood	-	-	-	60,000	-	60,000
Mr. Tim Flavel	-	-	-	60,000	-	60,000
Mr. Gary Steinepreis	-	-	-	60,000	-	60,000
Mr. Stuart Murray	-	298,560	-	37,500	-	336,060
	-	298,560	-	217,500	-	516,060

	Short Term				Post employment	
2007 *Directors*	Base Salary $	Share Based Payments $	Directors Fees $	Consulting Fees $	Superannuation $	Total $
Mr. Matthew Wood	-	382,933	-	20,000	-	402,933
Mr. Tim Flavel	-	382,933	-	20,000	-	402,933
Mr. Gary Steinepreis	-	-	-	35,000	-	35,000
Mr. David Steinepreis	-	-	-	15,000	-	15,000
Mr. Andrew Brown	-	-	-	-	-	-
Mr. Patrick Burke	-	-	-	15,000	-	15,000
	-	765,866	-	105,000	-	870,866

There were no other key management personnel of the Group during the year. None of the elements of the remuneration were performance related.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Exercise Date	Expiry Date/Last exercise date	Value per option at grant date	Exercise price	Vest	% of Remuneration
30 June 2008								
Stuart Murray	29/11/2007	10,000,000	28/09/2008	29/11/2012	$0.0261	$0.03	-	46%
	29/11/2007	10,000,000	28/09/2009	29/11/2012	$0.0270	$0.03	-	47%
30 June 2007								
Matthew Wood	27/04/2007	45,000,000	27/04/2007	30/06/09	$0.0085	$0.015	45,000,000	95%
Tim Flavel	27/04/2007	45,000,000	27/04/2007	30/06/09	$0.0085	$0.015	45,000,000	95%

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period. No options were exercised for the year ended 30 June 2008 (2007: Nil).

Options were granted as an incentive package for the purpose of identifying, evaluating and proposing to the Company any new projects.

Options granted have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The options granted vested immediately, however 50% were placed in a voluntary escrow period of six months. Options granted carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 25.

Executive and Non Executive Directors

The Directors Mr. Matthew Wood, Mr. Tim Flavel and Mr. Gary Steinepreis are paid annual consulting fees of $60,000 on a monthly basis. Mr. Stuart Murray is paid an annual Directors fee of $50,000 on a monthly basis. Director's services may be terminated by either party at any time.

Service Agreements

The Company entered a service agreement for certain administrative services and office space for a term of two years with MQB Ventures Pty Ltd, a Company of which Mr. Wood is a Director. The Company is required to give three months written notice to terminate the agreement.

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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Signature Metals support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Signature Metals is in compliance with those guidelines, which are of importance to the commercial operation of a junior listed resources Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Signature Metals with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 40 of this report.

There were no non-audit services provided by the company's auditor.

Signed in accordance with a resolution of the directors.

Matthew Wood
Chairman
25 September 2008

Corporate Governance Statement

The Board of Directors of the Signature Metals is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

Upon re-listing the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a director who is not a member of management, is a non-executive director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as a director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group."

In accordance with the definition of independence above, Mr. Stuart Murray is considered the only Independent Director.

There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Tim Flavel	17 months
Matthew Wood	17 months
Gary Steinepreis	2 years 1 month
Stuart Murray	12 months

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Group is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Group is of sufficient size a separate Audit and Risk Management Committee will be formed.

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.

Performance

The Board of Signature Metals conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group.

Remuneration

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective the Board links the nature and amount of executive and directors' emoluments to the Group's financial and operational performance. The expected outcome of this remuneration structure is:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of the Group

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Group is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors if payable.

Corporate Governance Statement

Corporate Governance Compliance

During the financial year Signature Metals has complied with each of the 10 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The Chairman is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Group does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
4.2/4.3	The Group does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	A Board performance review was not conducted during the year	The Board of Signature Metals conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group.
9.2	The Group does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Income Statement *for the year ended 30 June 2008*

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		$	$	$	$
Revenue from continuing operations					
Interest income		127,349	42,428	127,349	42,428
Other income		2,821	-	-	-
Revenue		130,170	42,428	127,349	42,428
Administrative expenses	3	(191,610)	(76,269)	(190,754)	(76,269)
Listing and share registry expenses		(41,066)	(28,534)	(41,066)	(28,534)
Accounting and audit fees		(72,623)	(58,080)	(72,623)	(58,080)
Legal fees		(4,203)	(17,933)	(4,203)	(17,933)
Consulting fees		(270,283)	(168,000)	(270,283)	(168,000)
Equity benefits expense		(464,852)	(1,276,445)	(464,852)	(1,276,445)
Exploration expenditure written off		(153,026)	-	(137,963)	-
Other		(109)	(19,598)	(18,663)	(19,598)
Loss from continuing operations before income tax		**(1,067,602)**	**(1,602,431)**	**(1,073,058)**	**(1,602,431)**
Income tax expense	4	-	-	-	-
Loss from continuing operations after tax		**(1,067,602)**	**(1,602,431)**	**(1,073,058)**	**(1,602,431)**
Discontinued operations					
Profit from discontinued operations	10	-	2,186,938	-	350,365
Net profit / (loss) attributable to members of the parent entity		**(1,067,602)**	**584,507**	**(1,073,058)**	**(1,252,066)**
Earnings / (loss) per share:					
Basic					
- Continuing activities (cents per share)	19	(0.26)	(0.65)		
- All activities (cents per share)	19	(0.26)	0.24		
Diluted					
- Continuing activities (cents per share)	19	(0.26)	(0.65)		
- All activities (cents per share)	19	(0.26)	0.21		

Balance Sheet *as at 30 June 2008*

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	15	1,777,888	2,287,726	1,773,362	2,287,726
Trade and other receivables	5	15,718	32,785	15,718	32,785
Other	6	-	50,000	-	50,000
TOTAL CURRENT ASSETS		**1,793,606**	**2,370,511**	**1,789,080**	**2,370,511**
NON CURRENT ASSETS					
Investments in subsidiaries	7	-	-	1	-
Deferred exploration and evaluation expenditure	8	72,297	-	-	-
Other receivables	9	-	-	76,822	-
TOTAL NON CURRENT ASSETS		**72,297**	**-**	**76,823**	**-**
TOTAL ASSETS		**1,865,903**	**2,370,511**	**1,865,903**	**2,370,511**
CURRENT LIABILITIES					
Trade and other payables	11	97,959	54,361	97,959	54,361
TOTAL CURRENT LIABILITIES		**97,959**	**54,361**	**97,959**	**54,361**
TOTAL LIABILITIES		**97,959**	**54,361**	**97,959**	**54,361**
NET ASSETS		**1,767,944**	**2,316,150**	**1,767,944**	**2,316,150**
EQUITY					
Issued capital	13	19,210,791	19,150,641	19,210,791	19,150,641
Reserves	12	1,736,391	1,277,145	1,741,847	1,277,145
Accumulated losses	14	(19,179,238)	(18,111,636)	(19,184,694)	(18,111,636)
TOTAL EQUITY		**1,767,944**	**2,316,150**	**1,767,944**	**2,316,150**

Cash Flow Statement *for the year ended 30 June 2008*

	Notes	Consolidated		Parent	
		2008	2007	2008	2007
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers & employees		(466,567)	(396,838)	(486,928)	(396,838)
Interest received		127,349	42,428	127,349	42,428
NET CASH FLOWS USED IN OPERATING ACTIVITIES	15	(339,218)	(354,410)	(359,579)	(354,410)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to subsidiaries		-	-	(76,822)	-
Expenditure on exploration		(230,620)	-	(137,963)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(230,620)	-	(214,785)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		60,000	3,338,500	60,000	3,338,500
Proceeds from option issue		-	700	-	700
Payment made under deed of Company arrangement		-	(600,000)	-	(600,000)
Transferred to deed administrator		-	(28,705)	-	(1,422)
Repayment of borrowings		-	(600,000)	-	(600,000)
Proceeds from borrowings		-	600,000	-	600,000
Cost of share issues and equity raising		-	(97,064)	-	(97,064)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		60,000	2,613,431	60,000	2,640,714
Net increase / (decrease) in cash and cash equivalents		(509,838)	2,259,021	(514,364)	2,286,304
Cash and cash equivalents at beginning of period		2,287,726	28,705	2,287,726	1,422
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15	**1,777,888**	**2,287,726**	**1,773,362**	**2,287,726**

Statement of Changes in Equity *for the year ended 30 June 2008*

Consolidated	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
At 1 July 2007	19,150,641	(18,111,636)	1,277,145	2,316,150
Foreign currency translation	-	-	(5,456)	(5,456)
Total income and expense recognised directly in equity	-	-	(5,456)	(5,456)
Loss for the period	-	(1,067,602)	-	(1,067,602)
Total income and expense for the period	-	(1,067,602)	(5,456)	(1,073,058)
Equity Transactions:				
Shareholder equity contribution	60,150	-	(150)	60,000
Share based payments	-	-	464,852	464,852
At 30 June 2008	**19,210,791**	**(19,179,238)**	**1,736,391**	**1,767,944**
At 1 July 2006	15,909,205	(18,696,143)	-	(2,786,938)
Total income and expense recognised directly in equity	-	-	-	-
Profit / (loss) for the period	-	584,507	-	584,507
Total income and expense for the period	-	584,507	-	584,507
Equity Transactions:				
Shareholder equity contribution	3,338,500	-	-	3,338,500
Shareholder options contribution	-	-	700	700
Share based payments	-	-	1,276,445	1,276,445
Transaction costs on share issue	(97,064)	-	-	(97,064)
At 30 June 2007	**19,150,641**	**(18,111,636)**	**1,277,145**	**2,316,150**
Parent				
At 1 July 2007	19,150,641	(18,111,636)	1,277,145	2,316,150
Total income and expense recognised directly in equity	-	-	-	-
Loss for the period	-	(1,073,058)	-	(1,073,058)
Total income and expense for the period	-	(1,073,058)	-	(1,073,058)
Equity Transactions:				
Shareholder equity contribution	60,150	-	(150)	60,000
Share based payments	-	-	464,852	464,852
At 30 June 2008	**19,210,791**	**(19,184,694)**	**1,741,847**	**1,767,944**
At 1 July 2006	15,909,205	(16,859,570)	-	(950,365)
Total income and expense recognised directly in equity	-	-	-	-
Loss for the period	-	(1,252,066)	-	(1,252,066)
Total income and expense for the period	-	(1,252,066)	-	(1,252,066)
Equity Transactions:				
Shareholder equity contribution	3,338,500	-	-	3,338,500
Shareholder options contribution	-	-	700	700
Share based payments	-	-	1,276,445	1,276,445
Transaction costs on share issue	(97,064)	-	-	(97,064)
At 30 June 2007	**19,150,641**	**(18,111,636)**	**1,277,145**	**2,316,150**

1. CORPORATE INFORMATION

The financial report of Signature Metals Limited ("Signature Metals" or "the Company") for the period ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 25 September 2008.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

(a) Compliance with IFRS

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.

(b) New accounting standards and interpretations

Applicable Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2008. These are outlined in the table below:

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Impact on Group Report	Application date for Company
AASB Int. 4 (Revised)	Determining whether an Arrangement contains a Lease	The revised Interpretation specifically scopes out arrangements that fall within the scope of AASB Interpretation 12.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2008
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. The amendments may have an impact on the Group's segment disclosures.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Impact on Company Report	Application date for Company
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	The Group may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009

Adoption of new accounting standard

The Group has adopted AASB 7 Financial Instruments: Disclosures and all consequential amendments which became applicable on 1 January 2007 and AASB 2008-4 Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities which became applicable for period ending on 30 June 2008. The adoption of these standards has only affected the disclosure in the financial statements. There has been no affect on profit and loss or the financial position of the Group.

(c) 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 Comany 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 purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(d) 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.

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.

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 25.

(e) Segment Reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(f) Cash and cash equivalents

Cash and short term deposits in the balance sheet 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 balance sheet. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) 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.

(i) Provisions

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 income statement 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.

(j) Contributed Equity

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, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(k) 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. The following specific recognition criteria must also be met before revenue is recognised:

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.

(l) 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 sheet 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 from 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 credited in the income statement except where it relates to items that may be 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 sheet 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 the income statement.

(m) 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 balance sheet 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 balance sheet.

Cash flows are presented in the cash flow statement 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.

(n) 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.

(o) 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 25.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Signature Metals Limited (‘market 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 income statement 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 19).

(p) 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 subsidiary is Ugandan Shillings.

Transactions and balances

Foreign currency transactions are translated 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 income statement.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect 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, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. 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 income statement, as part of the gain or loss on sale where applicable.

(q) Investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

(r) 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 or categories of assets 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 those expense categories consistent with the function of the impaired asset.

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.

(s) Exploration Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The group has adopted AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Australian equivalent to IFRS 6 in preparing its financial statements.

	Consolidated		**Parent**	
	2008	2007	2008	2007
	$	$	$	$
3. Administrative Expenses				
Travel and accommodation	64,194	27,884	64,194	27,884
Printing and stationary	8,244	-	8,244	-
Insurance	11,879	-	11,879	-
Telephone and communications	4,133	-	4,133	-
Serviced office	96,000	48,385	96,000	48,385
Other	7,160	-	6,304	-
Total administrative expenses	**191,610**	**76,269**	**190,754**	**76,269**

4. Income Tax

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
Income tax expense				
Major component of tax expense for the year:				
Current income tax	-	-	-	-
Deferred income tax	-	-	-	-
Income tax reported in the income statement	**-**	**-**	**-**	**-**
Numerical reconciliation between aggregate tax expense recognised in the income statement 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 Company's applicable tax rate is as follows:				
Profit/(loss) from continuing operations before income tax expense	(1,067,602)	584,507	(1,073,058)	(1,252,066)
Tax at the statutory income tax rate of 30%	(320,281)	175,352	(321,917)	(375,620)
Gain on debt defeasance under deed of Group arrangement	-	(836,081)	-	(285,109)
Payment to settle deed of Company arrangement	-	180,000	-	180,000
Expense of remuneration options	139,466	382,934	139,466	382,934
Income tax benefit not recognised	180,815	97,795	182,451	97,795
Income tax expense	**-**	**-**	**-**	**-**
Deferred Tax				
Balance Sheet				
Liabilities				
Capitalised exploration expenditure	21,689	-	-	-
Assets				
Losses available to offset against future taxable income	311,957	103,620	292,189	103,620
Share issue costs deductible over five years	17,471	23,295	17,471	23,295
Accrued expenses	17,250	3,000	17,250	3,000
Gross deferred tax assets	346,678	129,915	326,910	129,915
Deferred tax assets not brought to account as realisation is not regarded as probable	(324,989)	(129,915)	(326,910)	(129,915)
Deferred tax asset recognised	-	-	-	-

Deferred tax assets have not been recognised in respect of these amounts as it is not considered probable that future taxable income will arise against which these assets may be offset.

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
Unused tax losses				
Unused tax losses	1,039,858	345,399	973,963	345,399
Potential tax benefit not recognised at 30%	311,957	103,620	292,189	103,620

5. Trade and Other Receivables - Current

GST Receivable	7,071	32,785	7,071	32,785
Other receivables	8,647	-	8,647	-
	15,718	**32,785**	**15,718**	**32,785**

Trade and other receivables are non-interest bearing and neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

6. Other Assets - Current

Sundry debtors	**-**	**50,000**	**-**	**50,000**

Sundry debtors are non-interest bearing and generally receivable on 30 day terms. The outstanding amount is neither past due nor impaired. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

7. Investments in subsidiaries

Investment in controlled entities	**-**	**-**	**1**	**-**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(c).

Details of subsidiary companies are as follows:

Name	Country of incorporation	% Equity Interest	
		2008	**2007**
Uganda Minerals Pty Ltd	Australia	100%	-
Embuyaga Exploration Ltd	Uganda	100%	-

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
8. Deferred exploration and evaluation expenditure				
- at 1 July	-	-	-	-
- additions	225,323	-	137,963	-
- amortisation charge for the year	-	-	-	-
- write off	(153,026)	-	(137,963)	-
	72,297	**-**	**-**	**-**

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

Exploration and evaluation expenditure written off during the year relates to the Arua and Kibaale projects following the Board's review of the future viability of these projects.

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
9. Other Receivables – Non Current				
Amount owing by controlled entities:				
Uganda Minerals Pty Ltd	-	-	2,058	-
Embuyaga Exploration Ltd	-	-	87,917	-
Less: impairment losses	-	-	(13,153)	-
	-	**-**	**76,822**	**-**

Recovery of amounts due from controlled entities is dependent on successful development and commercial exploitation or sale of exploration interests held by the controlled entities. The Company has recognised an impairment of $13,153 on the loan receivable from Embuyaga Exploration Ltd. The amounts owing to controlled entities are interest free and re-payable on demand.

10. Discontinued Operations

On 17 March 2006, Signature Metals Limited (the Company) and certain subsidiaries Gomango Holdings Pty Limited, Pulp Health Pty Limited and Pulp Juice Bars Pty Limited were placed into Voluntary Administration.

On 31 August 2006, the terms of the Deed of Company Arrangement ("DOCA") were satisfied and control on its subsidiaries was lost as a consequence of the DOCA.

The Company was released from external administration on 13 September 2006.

The following were the results of the discontinued operations during the period:

Revenue	-	2,786,938	-	950,365
Expenses	-	(600,000)	-	(600,000)
Profit / (loss) before income tax	-	2,186,938	-	350,365

Revenues from the discontinued operations are comprised of:

Revenue from sale of goods	-	-	-	-
Gain due to debt defeasance	-	2,786,938	-	950,365
Other revenue	-	-	-	-
Total revenues from discontinued activities	-	2,786,938	-	950,365

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
Expenses from the discontinued operations are comprised of:				
Deed of Company arrangement expense	-	600,000	-	600,000
Total expenses from ordinary activities from discontinued operations	-	600,000	-	600,000

11. Trade and Other Payables - Current

Trade creditors	40,459	44,361	40,459	44,361
Accruals	57,500	10,000	57,500	10,000
	97,959	**54,361**	**97,959**	**54,361**

Trade and other payables are contractually matured within 30 days. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

12. Reserves

Employee equity benefits reserve	1,741,297	1,276,445	1,741,297	1,276,445
Foreign currency translation reserve	(5,456)	-	-	-
Option premium reserve	550	700	550	700
	1,736,391	**1,277,145**	**1,741,847**	**1,277,145**
Movements				
Employee equity benefits reserve				
Balance at 1 July	1,276,445	-	1,276,445	-
Share based payment expense	464,852	1,276,445	464,852	1,276,445
Balance at end of year	1,741,297	1,276,445	1,741,297	1,276,445
Foreign currency translation reserve				
Balance at 1 July	-	-	-	-
Foreign currency translation	(5,456)	-	-	-
Balance at 30 June	(5,456)	-	-	-
Option premium reserve				
Balance at 1 July	700	-	700	-
Option issue	-	1,200	-	1,200
Exercise of options at $0.01	(150)	(500)	(150)	(500)
Balance at 30 June	550	700	550	700

Nature and purpose of reserves

Employee equity benefits reserve

The employee equity benefits 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 25 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 premium reserve

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

	Consolidated		**Parent**	
	2008	2007	2008	2007
	$	$	$	$
13. Issued Capital				
Issued and paid up capital				
Ordinary shares fully paid	**19,210,791**	**19,150,641**	**19,210,791**	**19,150,641**

Movements in fully paid ordinary shares

	Number of shares	**$**
Balance at 1 July 2006	22,808,210	15,909,205
Share issue at $0.01	175,666,666	1,756,667
Share issue at $0.0025	140,533,334	351,333
Exercise of options at $0.010025	7,500,000	75,188
Share issue at $0.02	50,000,000	1,000,000
Exercise of options at $0.010025	4,000,000	40,100
Exercise of options at $0.010025	5,000,000	50,125
Exercise of options at $0.010025	2,500,000	25,062
Exercise of options at $0.010025	1,000,000	10,025
Exercise of options at $0.015	2,000,000	30,000
Share issue costs	-	(97,064)
Balance at 30 June 2007	411,008,210	19,150,641
Exercise of options at $0.010025	6,000,000	60,150
Balance at 30 June 2008	417,008,210	19,210,791

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 25.

There were 206,770,601 unissued ordinary shares under options at 30 June 2008 (2007: 183,829,201).

The details of the options at reporting date are as follows:

Number	Exercise Price	Issue Date	Expiry Date
30,000	1.00	19 November 2003	31 December 2008
205,000	1.00	13 January 2004	31 December 2008
37,000	1.00	15 November 2004	14 November 2008
50,000	1.00	1 December 2004	31 December 2008
1,507,692	1.00	14 April 2005	31 December 2008
3,000,000	1.125	12 September 2005	1 December 2008
333,333	0.65	14 April 2005	14 April 2011
333,333	0.65	14 April 2005	14 April 2012
333,333	0.65	14 April 2005	14 April 2013
545,455	1.00	12 September 2005	31 December 2008
345,455	1.00	12 September 2005	31 December 2008
100,000	0.65	7 October 2005	31 December 2008
50,000	0.65	7 October 2005	31 December 2009
900,000	1.00	1 January 2006	31 December 2008
22,000,000	0.01	7 November 2006	31 December 2008
148,000,000	0.015	4 May 2007	31 December 2009
20,000,000	0.03	29 November 2007	28 September 2012
9,000,000	0.03	15 November 2007	14 September 2012
206,770,601			

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

Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to $1,767,944 at 30 June 2008 (2007: $2,316,150). The Group manages its capital to ensure its ability to continue as a going concern and to optimize returns to its shareholders. The Group was ungeared at year end. Refer to note 23 for further information on the Group's financial risk management policies.

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
14. Accumulated losses				
Movement in accumulated losses were as follows:				
Balance at 1 July	(18,111,636)	(18,696,143)	(18,111,636)	(16,859,570)
Profit / (loss)	(1,067,602)	584,507	(1,073,058)	(1,252,066)
Balance at 30 June	**(19,179,238)**	**(18,111,636)**	**(19,184,694)**	**(18,111,636)**

	Consolidated		Parent	
	2008	2007	2008	2007
	$	$	$	$
15. Cash Flow Statement				
Reconciliation of cash				
Cash comprises of:				
Cash at bank	**1,777,888**	**2,287,726**	**1,773,362**	**2,287,726**

The fair value is equal to the carrying value.

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Reconciliation of net profit / (loss) after tax to the net cash flows from operations				
Profit /(loss) after tax	(1,067,602)	584,507	(1,073,058)	(1,252,066)
Non-cash items				
Foreign exchange gain	(158)	-	-	-
Exploration expenditure written off	153,026	-	137,963	-
Gain due to debt defeasance	-	(2,186,938)	-	(350,365)
Share based payment	464,852	1,276,445	464,852	1,276,445
Changes in assets and liabilities				
Trade and other receivables	67,066	(82,785)	67,067	(82,785)
Trade and other creditors	43,598	54,361	43,598	54,361
Net cash flows from operating activities	(339,218)	(354,410)	(359,578)	(354,410)

The only non-cash financing activities are share-based payments as discussed in note 25.

16. Expenditure Commitments

The Company entered a service agreement for certain administrative services and office space for a term of two years. The Company is required to give three months written notice to terminate the agreement.

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Services Agreement:				
Payable not later than one year	80,000	96,000	80,000	96,000
Payable later than one year and not later than five years	-	80,000	-	80,000
Payable later than five years	-	-	-	-
	80,000	176,000	80,000	176,000

17. Contingent Liabilities

There are no known contingent liabilities at the date of this report

18. Subsequent Events

There are no material subsequent events at the date of this report.

19. Earnings per Share

	Consolidated 2008 $	Consolidated 2007 $
Profit / (loss) from continuing operations attributable to ordinary equity holders of the Company:	(1,067,602)	(1,602,431)
Profit / (loss) from discontinued operations attributable to ordinary equity holders of the Company:	-	2,186,938
Total Profit / (loss) attributable to ordinary equity holders of the Company:	(1,067,602)	584,507

	Number of Shares 2008	Number of Shares 2007
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	411,123,278	246,039,717
Effect of dilution:		
Share options	-	26,966,300
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	411,123,278	273,006,017

There is no impact from 206,770,601 options outstanding at 30 June 2008 (2007: 183,829,201 options) on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

20. Auditors Remuneration

The auditor of Signature Metals Limited is Ernst & Young.

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Amounts received or due and receivable by Ernst & Young (Australia) for:				
- an audit or review of the financial report of the entity and any other entity in the Group.	29,064	-	29,064	-
other services in relation to the Group	-	-	-	-
	29,064	-	29,064	-
Amounts received or due and receivable by non Ernst & Young (Australia) audit firms for:				
- an audit or review of the financial report of the entity and any other entity in the Group.	-	46,000	-	46,000
other services in relation to the Group	-	-	-	-
	-	46,000	-	46,000

21. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Matthew Wood	Chairman
Timothy Flavel	Executive Director
Gary Steinepreis	Non Executive Director
Stuart Murray	Non Executive Director

(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:

The Board is ultimately responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on an annual basis by reference to industry and market conditions. In determining the nature and amount of officers' emoluments, the Board takes into consideration the Group's financial and operational performance. No employment and consulting agreements have been entered into with Key Management Personnel.

	Consolidated		**Parent**	
	2008	2007	2008	2007
	$	$	$	$
Short term employee benefits	217,500	105,000	217,500	105,000
Post employment benefits	-	-	-	-
Share based payments	298,560	765,866	298,560	765,866
	516,060	870,866	516,060	870,866

(c) Share holdings Key Management Personnel

All equity transactions with key management personnel other than those arising from the grant of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length. The number of shares in the Company held during the financial year held by each director of Signature Metals Limited, including their personally related parties, is set out below:

	Balance at the start of the period	Granted during the period as compensation	Exercise of options during the period	Other changes during the period	Balance at the end of the period
30 June 2008					
Mr. Matthew Wood	-	-	-	-	-
Mr. Tim Flavel	1,000,000	-	-	-	1,000,000
Mr. Stuart Murray	-	-	-	-	-
Mr. Gary Steinepreis	35,000,000	-	-	-	35,000,000
30 June 2007					
Mr. Matthew Wood	-	-	-	-	-
Mr. Tim Flavel	-	-	-	1,000,000	1,000,000
Mr. Gary Steinepreis	-	-	-	35,000,000	35,000,000

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	Granted during the period as compensation	Exercise of options during the period	Other changes during the period	Balance at the end of the period
30 June 2008					
Mr. Matthew Wood	45,000,000	-	-	-	45,000,000
Mr. Tim Flavel	45,000,000	-	-	-	45,000,000
Mr. Stuart Murray	-	20,000,000	-	-	20,000,000
Mr. Gary Steinepreis	7,500,000	-	-	-	7,500,000
30 June 2007					
Mr. Matthew Wood	-	45,000,000	-	-	45,000,000
Mr. Tim Flavel	-	45,000,000	-	-	45,000,000
Mr. Gary Steinepreis	-	-	-	7,500,000	7,500,000

There were no other key management personnel to disclose for the year s ended 30 June 2007 or 30 June 2008.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Exercise Date	Value per option at grant date	Exercised Number	Value per option at exercise date	Expiry Date	% of Remuneration
30 June 2008								
Stuart Murray	29/11/2007	10,000,000	28/09/2008	$0.0261	Nil	N/A	29/11/12	46%
	29/11/2007	10,000,000	28/09/2009	$0.0270	Nil	N/A	29/11/12	47%
30 June 2008								
Matthew Wood	27/04/2007	45,000,000	27/04/2007	$0.0085	Nil	N/A	30/06/09	95%
Tim Flavel	27/04/2007	45,000,000	27/04/2007	$0.0085	Nil	N/A	30/06/09	95%

Options were granted as an incentive package for the purpose of identifying, evaluating and proposing to the Group new projects.

Options granted have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. The options granted vested immediately, however 50% have been placed in a voluntary escrow period of six months. Options granted carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 25.

(d) Other transactions with Key Management Personnel

MQB Ventures Pty Ltd, a company of which Mr. Matthew Wood is a director, provided the Company with a fully serviced office including administration and information technology support totalling $96,000 (2007: $16,000), reimbursement of payments for courier and other minor expenses, at cost $2,361 (2007: nil) and reimbursement of accounting services, at cost $23,829 (2007: Nil). $9,723 was outstanding at the end of the year (2007: $8,000).

Warrior Consulting Pty Ltd, a company of which Mr. Tim Flavel is a Director, was paid consulting fees of $60,000 during the year (2007: $20,000). This amount is included in Note 21(b) “Remuneration of Key Management Personnel”. $5,000 was outstanding at year end (2007: $20,000).

MQ Management Limited, a company of which Mr. Matthew Wood is a Director, was paid consulting fees of $15,000 (2007: Nil) during the year. This amount is included in Note 21(b) “Remuneration of Key Management Personnel”. $15,000 was outstanding at year end (2007: Nil).

Leisure West Consulting Pty Ltd, a company of which Mr. Gary Steinepreis is a Director, was paid consulting fees of $60,000 during the year (2007: $35,000). This amount is included in Note 21(b) “Remuneration of Key Management Personnel”. $5,000 was outstanding at year end (2007: $Nil).

Mineral Quest Pty Ltd, a company of which Mr. Matthew Wood is a Director, was paid consulting fees of $45,000 during the year (2007: $20,000). This amount is included in Note 21(b) “Remuneration of Key Management Personnel”. No amount was outstanding at year end (2007: $5,000).

In 2007, Ascent Capital Pty Ltd, a company of which Mr. Gary Steinepreis is a Director, arranged funds of $600,000 to be made available to the company to enable it to satisfy the terms of the Deed of Company Arrangement. These funds were repaid by the company following a capital raising. Ascent Capital Pty Ltd also provided the company with advice to reconstruct the company for a fee totalling $51,000.

22. Related Party Disclosures

For Director related party transactions please refer to Note 21 “Key Management Personnel Disclosures”. There were no other related party transactions during the year.

23. Financial Risk Management

Exposure to interest rate, liquidity, commodity price risk, 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. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

Maturity analysis

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2008 and 30 June 2007, all financial liabilities are contractually matured within 30 days.

(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		**Parent**	
	2008	2007	2008	2007
	$	$	$	$
Cash and cash equivalents	1,777,888	2,287,726	1,773,362	2,287,726

Interest rate sensitivity

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

Consolidated

Change in Basis Points	Effect on Post Tax Loss ($) Increase / (decrease)		Effect on Equity including retained earnings ($) Increase / (decrease)	
	2008	**2007**	**2008**	**2007**
Increase 100 basis points	17,779	22,877	17,779	22,877
Decrease 100 basis points	(17,779)	(22,877)	(17,779)	(22,877)

Parent

Change in Basis Points	Effect on Post Tax Loss ($) Increase / (decrease)		Effect on Equity including retained earnings ($) Increase / (decrease)	
	2008	**2007**	**2008**	**2007**
Increase 100 basis points	17,734	22,877	17,734	22,877
Decrease 100 basis points	(17,734)	(22,877)	(17,734)	(22,877)

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 Australian Dollar interest rates. This would represent two to four movements by the Reserve Bank of Australia.

(c) Commodity Price Risk

The Group is exposed to commodity price risk from its activities directed at exploration for commodities. A fall in the price of mineral commodities may result in a decline of market sentiment thus affecting our ability to raise additional capital in the future.

(d) 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 balance sheet. The Group holds financial instruments with credit worthy third parties.

At 30 June 2008, 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 2008 (2007: Nil).

(e) Foreign Currency Risk

As a result of exploring for mineral commodities in Africa cash advanced to the subsidiary is denominated in Ugandan Shilling. The Group also has a United States Dollar denominated bank account in Uganda. The Group does not enter into any financial arrangement to mitigate these exposures to the foreign currencies. The exposure is not material as at 30 June 2008 (2007: Nil).

24. Segment Information

2008	**Australia**	**Uganda**	**Consolidated**
	$	**$**	**$**
Revenue	127,349	-	127,379
Total revenue	127,349	-	127,349
Segment result	(1,055,138)	(12,464)	(1,067,602)
Segment assets	1,789,080	76,823	1,865,903
Segment liabilities	97,959	-	97,959
Other non cash items	717,728	-	717,728
Capital expenditure	-	72,297	72,297

During the financial year ended 30 June 2007 the Group operated in one geographic segment and within one industry classification in Australia.

25. 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		**Parent**	
	2008	2007	2008	2007
	$	$	$	$
Options issued as an incentive package to Directors	464,852	1,276,445	464,852	1,276,445

The fair value at grant date of options granted during the reporting period 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.

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
13 January 2004	31 December 2008	$1.00	22,000	-	-	-	22,000	22,000
15 November 2004	14 November 2007	$1.50	11,800	-	-	-	11,800	11,800
15 November 2004	14 November 2008	$1.00	10,000	-	-	-	10,000	10,000
27 April 2007	31 December 2009	$0.015	150,000,000	-	2,000,000	-	148,000,000	148,000,000
14 November 2007	14 November 2012	$0.03	-	9,000,000	-	-	9,000,000	4,500,000
30 November 2007	30 November 2012	$0.03	-	20,000,000	-	-	20,000,000	-
			150,043,800	29,000,000	2,000,000	-	179,043,800	154,543,800
Weighted average exercise price			$0.015	$0.03	$0.015	-	$0.013	$0.015

The weighted average fair value of options granted during the year was $0.026 (2007: $0.09)

The model inputs, not included in the table above, for options granted during the year ended 30 June 2008 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 2.95 years to 4.21 years (2007: 1.34 years to 2.14 years)

(c) share price at grant date had a range of $0.039 to $0.04 (2007: $0.02 to $0.04);

(d) expected volatility ranged from 70% to 80% (2007: 50%);

(e) expected dividend yield of Nil (2007: Nil); and

(f) a risk free interest rate of 6.40% (2007: 5.75%).

26. 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 2008.

The balance of the franking account is Nil as at 30 June 2008 (2007: Nil).

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 Company and 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 Company and of the Group as at 30 June 2008 and of their performance, for the year ended on that date; and

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

   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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 period ending 30 June 2008.

On behalf of the Board

Matthew Wood
Chairman

Dated at Perth this 25th day of September 2008.

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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 2008, 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

V. Tidy

V W Tidy
Partner
Perth
25 September 2008

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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 balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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 met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion:

1. 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 financial position of Signature Metals Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and

    ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2008. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Signature Metals Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Ernst & Young

V. Tidy

V W Tidy
Partner
Perth
25 September 2008

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 10 September 2008.

Substantial Shareholders
The names of shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Gary Steinepreis	35,000,000	8.2%

Distribution of Shareholders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	211	107,771
1,001 - 5,000	295	739,381
5,001 - 10,000	62	455,196
10,001 - 100,000	426	21,425,330
100,001 - and over	526	394,280,532
TOTAL	1,520	417,008,210

There were 673 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Shareholders

Name	Number of Ordinary Shares held	%
Bannaby Investments Pty Ltd <Super Fund Account>	20,261,111	4.86
TM Consulting Pty Ltd <TM Super Fund A/C>	18,613,481	4.46
Oakhurst Enterprises Pty Ltd	12,500,000	3.00
Ascent Capital Holdings Pty Ltd	10,000,000	2.40
Celtic Capital Pty Ltd <The Celtic Capital A/C>	9,000,000	2.16
Leisurewest Consulting Pty Ltd <Leisurewest A/C>	7,500,000	1.80
Loxwood Holdings Pty Ltd <Garling Street Super Funs A/C>	7,000,000	1.68
Textpoint Pty Ltd	7,000,000	1.68
Zero Nominees Pty Ltd	6,370,000	1.53
Morble House Investments Pty Ltd <The Belcher Trading a/c>	6,220,000	1.49
Jaelant Pty Ltd <The Bell a/c>	5,500,000	1.32
Mr Michael Foster Black & Mrs Lynette Robin Black	5,000,000	1.20
Ms Jacqueline Mary Steinepreis	5,000,000	1.20
Yarandi Investments Pty Ltd <Griffith Family No 2 a/c>	5,000,000	1.20
Tayscrip Nominees Pty Ltd	4,190,671	1.00
David Gartner Pty Ltd <David Gartner Family a/c>	4,000,000	0.96
Mr Paul Robert Hearne <The PRH a/c>	4,000,000	0.96
Mr John Della Bosca <JA & JG Della Bosca Family a/c>	3,900,000	0.94
Pentin Pty Ltd	3,650,000	0.88
Motta Property Investments Pty Ltd	3,500,000	0.84
Total Top 20	148,205,263	35.56

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.