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IMPORTANT NOTICE

This Prospectus is dated 19 May 2010 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC takes no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date it was lodged with the ASIC. No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

A copy of this Prospectus can be downloaded from the website of the Company at www.signaturemetals.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form for Shares unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus.

RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Shares the subject of this Prospectus involves a number of specific risks, including the risk of further funding, exploration success, title risk, undertaking international operations, operating risks, environmental risks, resource estimates, commodity prices and exchange rates and market conditions.

Details of these specific risks and other general risks are set out in Section 5 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in in Section 5 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative.

Timetable and Important Dates *

Lodgement of Prospectus with the ASIC and ASX	19 May 2010
Opening Date of Offers **	20 May 2010
Closing Date of Tranche 1 Offer	24 May 2010
Expected date of Official Quotation of the Tranche 1 Shares	25 May 2010
Proposed date of General Meeting of Shareholders	18 June 2010
Closing Date of Tranche 2 Offer **	21 June 2010
Expected date of Official Quotation of the Tranche 2 Shares **	22 June 2010

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

**** The issue of the Shares offered pursuant to the Tranche 2 Offer are conditional on Shareholder approval to be sought at the General Meeting and is therefore a conditional offer. Refer to Section 2.4 of this Prospectus for further details.**

1. CORPORATE DIRECTORY

Directors

Mr Matthew Wood (Executive Chairman)
Mr Bill Oliver (Managing Director)
Mr Timothy Flavel (Executive Director)
Mr Stuart Murray (Non-Executive Director)

Share Registry *

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 787 272

Company Secretary

Mr Scott Funston

Joint Lead Managers to the Offers

Taylor Collison Limited
Level 16
2111 Victoria Square
ADELAIDE SA 5000

CPS Securities
Level 34
2 The Esplanade
PERTH WA 6000

Registered Office

Level 1, 33 Richardson Street
WEST PERTH WA 6005

Telephone: (08) 9481 0101
Facsimile: (08) 9200 4469

Solicitors to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

ASX Code

SBL

Auditor *

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. DETAILS OF THE OFFERS

2.1 Shares made available for Subscription

The Company is making two separate offers pursuant to this Prospectus:

- (a) pursuant to the Tranche 1 Offer, the Company offers subscribers the opportunity to subscribe for up to 140,000,000 Shares at an issue price of 2 cents per Share to raise up to \$2,800,000; and
- (b) pursuant to the Tranche 2 Offer, the Company offers subscribers the opportunity to subscribe for up to 110,000,000 Shares at an issue price of 2 cents per Share to raise up to \$2,200,000.

The issue of the Shares offered pursuant to the Tranche 2 Offer is conditional on Shareholders approving the relevant resolution at the General Meeting of Shareholders to be held on or about 18 June 2010 (**General Meeting**). Refer to Section 2.4 for further details.

The purpose of the Offers and the use of the funds raised pursuant to the Offers are set out in Section 3 of this Prospectus.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The Offers are not underwritten.

2.2 Opening and Closing Dates of the Offers

The Opening Date of the Offers will be at 9:00am WST on 20 May 2010 and the:

- (a) Tranche 1 Closing Date will be at 5:00pm WST on 24 May 2010; and
- (b) Tranche 2 Closing Date will be at 5:00pm WST on 21 June 2010.

The Directors reserve the right to close the Offers early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

2.3 Application for Shares

Applications for Shares under the:

- (a) Tranche 1 Offer must be made using the Tranche 1 Application Form and the completed Tranche 1 Application Forms and accompanying payment must reach the Company's Share Registry no later than 5.00pm WST on the Tranche 1 Closing Date; and
- (b) Tranche 2 Offer must be made using the Tranche 2 Application Form and the completed Tranche 2 Application Forms and accompanying payment must reach the Company's Share Registry no later than 5.00pm WST on the Tranche 2 Closing Date.

Payment for the Shares under the Offers must be made in full at the issue price of 2 cents per Share. Cheques should be made payable to "Signature Metals Limited – Offer Account" and crossed "Not Negotiable". Applications for Shares under the Offers must be for a minimum of 100,000 Shares and thereafter in multiples of 1,000 Shares.

2.4 Condition of the Tranche 2 Offer

The offer of up to 110,000,000 Shares pursuant to the Tranche 2 Offer (being the Tranche 2 Shares) is conditional upon the satisfaction of the relevant resolution being passed at the General Meeting (**Condition**).

Only up to 140,000,000 Shares offered pursuant the Tranche 1 Offer (being the Tranche 1 Shares) will be issued pursuant to this Prospectus prior to the satisfaction of the Condition.

2.5 Allotment of Shares

Tranche 1 Shares

Allotment of the Tranche 1 Shares pursuant to the Tranche 1 Offer will take place as soon as practicable after the Opening Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

Tranche 2 Shares

The allotment of the Tranche 2 Shares pursuant to the Tranche 2 Offer will take place as soon as practicable after the satisfaction of the Condition.

Process

For the avoidance of doubt, the process proposed is as follows:

- (a) Shares are offered pursuant to this Prospectus;
- (b) Offers open under the Prospectus;
- (c) Tranche 2 Offer closes;
- (d) up to 140,000,000 Shares offered pursuant to the Tranche 1 Offer are issued;
- (e) General Meeting held and the relevant resolution passed (as outlined in Section 2.4);
- (f) Tranche 2 Offer closes under the Prospectus; and
- (g) up to 110,000,000 Shares offered pursuant to the Tranche 2 Offer are issued.

Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

The Directors in consultation with the Joint Lead Managers will determine the allottees of all the Shares the subject of the Offers. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares under the Offers than the number applied for.

Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

Shares issued pursuant to the Offers, may be allotted on a progressive basis. However, no Shares the subject of the Tranche 2 Offer will be offered on a progressive basis (or otherwise) until the Condition is satisfied.

2.6 Minimum Subscription

The minimum subscription for the:

- (a) Tranche 1 Offer is \$2,800,000 (being the full subscription under the Tranche 1 Offer); and
- (b) Tranche 2 Offer is \$2,200,000 (being the full subscription under the Tranche 2 Offer) subject to the Condition being satisfied.

2.7 ASX Listing

The Company's Shares are currently traded on ASX. Application will be made within 7 days after the date of issue of this Prospectus to ASX for permission for the Shares issued pursuant to this Prospectus to be listed for official quotation by ASX.

In the event that ASX does not grant permission for the official quotation of the Shares within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the Shares offered by this Prospectus will be allotted or issued and the Company will repay all application monies for the Shares within the time period set out under the Corporations Act, without interest.

2.8 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Prospectus is not intended to, and does not, constitute an offer of, or invitation to apply for, securities in any place which, or to any person to whom, the making of such offer or invitation would not be lawful under the laws of any jurisdiction outside Australia.

2.9 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company participates in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

2.10 Dividend Policy

The Company's ability to pay dividends depends on factors such as the earnings, taxation and financial position of the Company. It is the current intention of the Directors to pay dividends if the profitability of the Company's operations permits. The level of franking of any dividends will be determined by the level of Australian tax paid by the Company.

Until the Company generates sufficient profits, it will not be in a position to declare any dividend and, accordingly, the Directors will not formulate a dividend policy until a profit is generated.

2.11 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offers.

2.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

2.13 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, Scott Funston, on +61 8 9481 0101.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Offers is to:

- (a) remove any restrictions on the sale of the Shares to be issued by the Company under the Offers; and
- (b) raise up to \$5,000,000 before costs.

The proceeds of the Offers are planned to be used in accordance with the table set out below:

Proceeds of the Offers	Amount raised under Tranche 1 Offer \$2,800,000	Amount raised under Tranche 1 Offer and Tranche 2 Offer assuming Condition satisfied \$5,000,000
Further exploration Konongo Gold Project	\$500,000	\$700,000
Recommissioning CIL plant	\$1,850,000	\$3,600,000
Metallurgical Test Work and expansion studies	\$35,000	\$50,000
General working capital	\$212,500	\$315,500
Expenses of the Offers	\$202,500	\$334,500
Total	\$2,800,000	\$5,000,000

Notes:

1. Refer to Section 6.6 of this Prospectus for further details relating to the estimated expenses of the Offers.
2. In the event that the Condition is not satisfied and the Company does not raise \$2,200,000 pursuant to the Tranche 2 Offer, only \$2,800,000 will be raised pursuant to the Tranche 1 Offer and the proceeds will be applied as set out above. While the Company believes that completion of the Tranche 1 Offer will provide sufficient working capital to carry out its stated and immediate objectives, the Company may require additional funding in the future to expand its processing options at the Konongo Gold Project and to fund additional exploration and mining studies.

3.2 Effect of the Offers and Pro Forma Consolidated Balance Sheet

Assuming the Condition is satisfied and all Shares offered under this Prospectus are issued, the principal effect of the Offers will be to:

- (a) increase cash reserves by approximately \$4,665,500 immediately after completion of the Offers and estimated expenses of the Offers; and
- (b) increase the number of Shares on issue from 935,451,868 Shares as at the date of this Prospectus, to 1,185,451,868 Shares. There is no change to the number of Options on issue being 84,999,999 (other than 20,000,000 Options

to be issued to the Joint Lead Managers as part consideration for jointly managing the Offers).

In the event the Condition is not satisfied and only the Shares offered under the Tranche 1 Offer are issued, the principal effect of the Tranche 1 Offer will be to:

- (c) increase cash reserves by approximately \$2,597,500 immediately after completion of the Offers and estimated expenses of the Offers; and
- (d) increase the number of Shares on issue from 935,451,868 Shares as at the date of this Prospectus, to 1,075,451,868 Shares. There is no change to the number of Options on issue being 84,999,999 (other than 20,000,000 Options to be issued to the Joint Lead Managers as part consideration for jointly managing the Offers).

Set out in below is:

- (a) an unaudited consolidated balance sheet of the Company as at 31 March 2010;
- (b) an unaudited pro-forma consolidated balance sheet of the Company as at 31 March 2010 incorporating the effect of the Offers (assuming the Condition is satisfied and the Offers are fully subscribed); and
- (c) the capital structure of the Company upon completion of the Offers (assuming the Condition is satisfied and the Offers are fully subscribed).

PRO FORMA CONSOLIDATED BALANCE SHEET

	31 March 2010 Unaudited	Capital Raising	Fundraising Costs	Total
CURRENT ASSETS				
Cash	1,738,738	5,000,000	(334,500)	6,404,238
Receivables	203,282	-	-	203,282
Other	17,314	-	-	17,314
Total Current Assets	1,959,334	5,000,000	(334,500)	6,624,834
NON-CURRENT ASSETS				
Plant & equipment	686,810	-	-	686,810
Exploration properties	6,633,973	-	-	6,633,973
Total Non-current Assets	7,320,783	-	-	7,320,783
TOTAL ASSETS	9,280,117	5,000,000	(334,500)	13,945,617
CURRENT LIABILITIES				
Creditors and borrowings	840,575	-	-	840,575
Provisions	38,528	-	-	38,528
Total Current Liabilities	879,103	-	-	879,103
NON CURRENT LIABILITIES				
Provisions	422,622	-	-	422,622
Total Non Current Liabilities	422,622	-	-	422,622
TOTAL LIABILITIES	1,301,725	-	-	1,301,725
NET ASSETS	7,978,392	5,000,000	(334,500)	12,643,892
SHAREHOLDERS' EQUITY				
Share Capital	25,795,450	5,000,000	(334,500)	30,460,950
Reserves	2,454,253	-	-	2,454,253
Outside Equity Interest	937,683	-	-	937,683
Retained Loss	(21,208,994)	-	-	(21,208,994)
TOTAL SHAREHOLDERS' EQUITY	7,978,392	5,000,000	(334,500)	12,643,892

The capital structure of the Company upon completion of the Offers (assuming the Condition is satisfied and the Offers are fully subscribed) is summarised below:

Shares

	Number
Shares currently on issue	935,451,868
Shares offered pursuant to the Tranche 1 Offer	140,000,000
Shares offered pursuant to the Tranche 2 Offer	110,000,000
Total Shares on issue after completion of the Offers	1,185,451,868

Options

	Number
Unlisted exercisable at \$0.65 on or before 14 April 2011	333,333
Unlisted exercisable at \$0.65 on or before 14 April 2012	333,333
Unlisted exercisable at \$0.65 on or before 14 April 2013	333,333
Unlisted exercisable at \$0.03 on or before 28 September 2012	20,000,000
Unlisted exercisable at \$0.03 on or before 14 November 2012	9,000,000
Unlisted exercisable at \$0.015 on or before 31 December 2012	55,000,000
Options offered pursuant to the Offers	Nil
Options to be issued to the Joint Lead Managers as part consideration for managing the Offers ¹	20,000,000
Total on issue after completion of the Offers	104,999,999

Notes:

- Options exercisable at \$0.02 each on or before 31 December 2013. The issue of these Options is subject to Shareholder approval to be sought at the General Meeting. Refer to Section 6.2 for a summary of the terms of the Placement Agreement with the Joint Lead Managers. Refer to Section 4.2 for further details of the terms and conditions of the Options.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to Clause 22 of the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Changes to Capital Structure**

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- (i) increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (iii) sub-divide all or any of its shares into shares of smaller amount than is fixed by the Constitution, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
- (iv) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(g) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

The Shares are quoted on ASX.

4.2 Terms and Conditions of Options to be issued to the Joint Lead Managers

As detailed in Section 6.2, in part consideration for managing the Offers, subject to Shareholder approval being obtained at the General Meeting, the Company has agreed to issue the Joint Lead Managers a total of 20,000,000 Options. The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 December 2013 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice)

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to

any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

5. RISK FACTORS

5.1 General

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.

Whilst the Directors recommend the Offers, there are numerous risk factors involved. The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

Factors which may affect the Company's financial position, prospects and the price of its listed securities include the following:

5.2 Future Capital Requirements

In the event that the Condition is not satisfied and the Company does not raise \$2,200,000 pursuant to the Tranche 2 Offer, only \$2,800,000 will be raised pursuant to the Tranche 1 Offer and the proceeds will be applied as set out in Section 3.1. While the Company believes that completion of the Tranche 1 Offer will provide sufficient working capital to carry out its stated and immediate objectives, the Company may require additional funding in the future to expand its processing options at the Konongo Gold Project and to fund additional exploration and mining studies.

Accordingly, there can be no guarantee that the funds raised through the Offers will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offers there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

5.3 Exploration Success

The Mineral Properties are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Mineral Properties, or any other mineral properties that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Mineral Properties and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Mineral Properties, a reduction in the cash reserves of the Company and possible relinquishment of the Mineral Properties.

5.4 Title Risks

Tenements are granted subject to various conditions including, but not limited to, expenditure conditions and licence renewal. Failure to comply with these conditions may expose the tenements to forfeiture.

All of the tenements in which the Company has or will have an interest will be subject to application for renewal from time to time. The renewal of the term of each tenement is subject to the applicable legislation in that jurisdiction.

The Company has recently lodged a submission to the Minerals Commission of Ghana in support of an application for an extension to the term to its Mining Licence. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement. However, the Directors are not aware of any reason why renewal of the term of any tenements will not be granted.

5.5 Risk of International Operations

The Company has projects in Africa, in particular Ghana, Kenya and Uganda.

The countries of Ghana, Kenya and Uganda are subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in Ghana, Kenya or Uganda may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

5.6 Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of drilling equipment to undertake geological investigations;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

5.7 Environmental Risks and Regulations

The Company's projects are subject to laws and regulations in the jurisdictions that it operates in regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Company's mining tenements.

5.8 Economic Risks

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation, have an impact on operating costs, commodity prices, the parameters in which the Company may operate and stock market prices. Factors that may be beyond the control of the Company include:

- (a) general economic conditions in Australia and Ghana, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (b) financial failure or default by a participant in any joint venture or other contractual relationship to which the Company is, or may become, a party;
- (c) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (d) industrial and landholder disputes.

These as well as other conditions can affect the Company's future possible revenues and price of its Securities.

5.9 Market Conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

5.10 Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

5.11 Legislative Changes, Government Policy and Approvals

Changes in government regulations and policies may adversely affect the financial performance of the Company. For example, any increased rentals under the relevant mining legislation may impact on the Company's actual financial statements. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

5.12 Reliance on Key Personnel and Employees

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

5.13 General Risks

The value of the Company's Securities is affected by a number of general factors which are beyond the control of the Company and its Directors.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment.

The Company's Share price can be afflicted by these factors which are beyond the control of the Directors.

5.14 Risks Associated with Resources and Reserves Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the

estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Company's operations.

5.15 Foreign Exchange Risks

The operations of the Company are in Africa and the costs of, and revenues from, the Company's operations will generally be in Ghanaian Cedi, Uganda Shilling, Kenyan Shilling and United States Dollars. As the Company's statements will be presented in Australian Dollars, the Company will be exposed to the volatility and fluctuations of the exchange rate between those currencies and the Australian Dollar.

Exchange rates are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions, interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities as well as the ability to fund those plans and activities.

5.16 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

6. ADDITIONAL INFORMATION

6.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares that will be issued pursuant to this Prospectus will be in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half year financial report lodged with the ASIC by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

Date	Description of Announcement
19/05/2010	Reinstatement to Official Quotation
19/05/2010	Placement to Raise \$5 Million
30/04/2010	Quarterly Activities Report
30/04/2010	Quarterly Cashflow Report
20/04/2010	Suspension from Official Quotation
19/04/2010	Trading Halt
12/04/2010	Response to ASX Price Query
29/03/2010	First RC Drilling Results Konongo Gold Project
16/03/2010	Half Year Accounts
05/03/2010	JORC Resource for Old Konongo Tailings Dam - Amended
05/03/2010	JORC Resource for Old Konongo Tailings Dam
23/02/2010	Investor Presentation
16/02/2010	JORC Resource Upgraded to Over 1.2M Oz Contained Gold
29/01/2010	Quarterly Activities Report
29/01/2010	Quarterly Cashflow Report
19/01/2010	Drilling Results from Tailings Dam Konongo Gold Project
18/01/2010	Appointment of Environmental Consultants
14/01/2010	2010 Drilling Commences Konongo Gold Project
12/01/2010	Notice of Ceasing to be a Substantial Holder
11/01/2010	\$1.7M Raised Through Exercise of Options
11/01/2010	Appendix 3B
11/01/2010	Notice of Initial Substantial Holder
11/01/2010	Unlisted Options Expired
11/01/2010	Change of Directors Interest Notice x 2
22/12/2009	Becoming a substantial holder
22/12/2009	Appendix 3B
21/12/2009	Acquisition of Konongo Gold Project Completed
15/12/2009	Exceptional Drill Results Konongo Gold Project
11/12/2009	Change of Director's Interest Notice * 4
11/12/2009	Appendix 3B
26/11/2009	Results of Annual General Meeting
26/11/2009	Investor Update - AGM Presentation
24/11/2009	Appendix 3B
18/11/2009	Drilling Update
12/11/2009	Appendix 3B
12/11/2009	Notice of Change of Interests of Substantial Holder
09/11/2009	Investor Presentation
26/10/2009	Quarterly Activities Report
26/10/2009	Quarterly Cashflow Report
23/10/2009	Notice of Change of Interests of Substantial Holder
23/10/2009	Top 20 Shareholders
23/10/2009	Appendix 3B

23/10/2009	Change of Director`s Interest Notice x 3
22/10/2009	Appointment of Project Manager
21/10/2009	Change of Interests of Substantial Shareholder
20/10/2009	High Grade Drilling Results
19/10/2009	Top 20 Shareholders
19/10/2009	Updated Appendix 3B Non Renounceable Entitlements Offer
14/10/2009	Completion of Entitlement Offer
13/10/2009	Shallow High Grade Gold Intersected Konongo Gold Project
12/10/2009	Notice of Annual General Meeting / Proxy Form
30/09/2009	2009 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

6.2 Placement Agreement with the Joint Lead Managers

On 5 May 2010, the Company entered into a placement agreement with Taylor Collison and CPS Securities pursuant to which Taylor Collison and CPS Securities agreed to manage the Offers and place up to 250,000,000 Shares at 2 cents each to raise up to \$5,000,000 (being the Tranche 1 Shares and the Tranche 2 Shares) on a best endeavours basis (**Placement Agreement**).

In consideration for acting as joint lead managers to the Offers and placing the Tranche 1 Shares and the Tranche 2 Shares, pursuant to the terms of Placement Agreement, the Company has agreed to:

- (a) pay the Joint Lead Managers:
 - (i) a total placement fee equal to 5% (exclusive of GST) of the funds raised pursuant to the Offers (being 2.5% each); and
 - (ii) a total management fee equal to 1% (exclusive of GST) of the funds raised pursuant to the Offers (being 0.5% each); and
- (b) issue the Joint Lead Managers (or nominees) a total of 20,000,000 Options exercisable at \$0.02 each on or before 31 December 2013 (**Consideration Options**) (being 10,000,000 Options each).

The issue of the Consideration Options will be subject to Shareholder approval being obtained at the General Meeting.

The Company will also reimburse the Joint Lead Managers for all reasonable out-of-pocket expenses incurred in acting as joint lead manager of the Offers and placing the Tranche 1 Shares and the Tranche 2 Shares.

The Placement Agreement otherwise contains standard terms and conditions for an agreement of this nature.

6.3 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC.

Pursuant to Section 716 of the Corporations Act, Taylor Collison has given and has not withdrawn its consent to being named as Joint Lead Manager to the Offers in the Corporate Directory of this Prospectus in the form and context in which it is

named. Taylor Collison has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Pursuant to Section 716 of the Corporations Act, CPS Securities has given and has not withdrawn its consent to being named as Joint Lead Manager to the Offers in the Corporate Directory of this Prospectus in the form and context in which it is named. CPS Securities has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

None of the entities referred to in this Section 6.2 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

6.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any organisation in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Each Directors' interests in Shares and Options at the date of this Prospectus are:

Name of Director	Shares	Options
Bill Oliver	1,312,500	10,000,000
Timothy Flavel	21,750,000	20,000,000
Stuart Murray	Nil	25,000,000
Matthew Wood	58,062,115	20,000,000

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The Company paid to the Directors a total of \$440,266 for the year ended 30 June 2009. For the period from 1 July 2009 to the date of this Prospectus \$328,333 has been paid or is payable by the Company by way of approved remuneration for services provided by all Directors or former Directors (executive, non-executive and alternate), companies associated with those Directors or their associates in their capacity as Directors, employees, consultants or advisers (and including superannuation payments).

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The table below sets out the expected annual remuneration payable to the Directors for the current financial year, inclusive of directors' fees and consultancy fees.

Director	Current Financial Year
Bill Oliver	\$220,000
Timothy Flavel	\$72,000
Stuart Murray	\$30,000
Matthew Wood	\$96,000

6.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$15,000 for services provided in relation to this Prospectus. In the last 2 years Steinepreis Paganin have been paid approximately \$18,674 for their services.

The Joint Lead Managers will be paid a management fee of up to \$50,000 (being \$25,000 each), a placement fee of up to \$250,000 (being \$125,000 each) and will be issued 20,000,000 Options (being 10,000,000 Options each) in accordance with the terms of the Placement Agreement. In the past two years, Taylor Collison has been paid no fees by the Company. In the past two years, CPS Securities has been paid \$187,372 in fees by the Company.

Neither Taylor Collison nor CPS Securities have a relevant interest in Shares or Options as at the date of this Prospectus.

6.6 Estimated Expenses of Offers

The estimated expenses of the Offers (assuming the Offers are fully subscribed and the Condition is satisfied) are as follows:

Item	\$
ASX Fees	11,450
ASIC Fees	2,010
Print and Mailing Expenses	6,040
Placement and Management Fee	300,000
Legal	15,000
Total	<u>334,500</u>

6.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	3.4 cents	20 April 2010
Lowest	2 cents	25 March 2010
Last	3.4 cents	20 April 2010

6.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7. DIRECTORS' CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

Bill Oliver
Director
For and on behalf of
SIGNATURE METALS LIMITED

8. DEFINITIONS

Applicant means an investor that applies for Shares using an Application Form pursuant to this Prospectus.

Application Form means the Tranche 1 Application Form and the Tranche 2 Application Form (all of which accompany this Prospectus) and **Application Form** means one of them.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the Tranche 1 Closing Date or the Tranche 2 Closing Date (as the context permits).

Company or **Signature Metals** means Signature Metals Limited (ABN 86 106 293 190).

Condition means the condition of the Tranche 2 Offer as defined has the meaning given to it in Section 2.4.

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

CPS Securities means Cunningham Peterson Sharbanee Securities Pty Ltd trading as "CPS Securities" (ABN 73 088 055 636)

Directors means directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

General Meeting means a general meeting of Shareholders to be held on or about 18 June 2010.

Joint Lead Managers means CPS Securities and Taylor Collison and **Joint Lead Manager** means one of them.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Offers means the Tranche 1 Offer and the Tranche 2 Offer.

Opening Date means the opening date for receipt of Application Forms under this Prospectus as set out in Section 2.2.

Option means an option to acquire a Share.

Prospectus means this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Taylor Collison means Taylor Collison Limited (ACN 008 172 450).

Tranche 1 Closing Date means the closing date for receipt of Tranche 1 Application Forms under this Prospectus as set out in Section 2.2.

Tranche 1 Offer means the offer of the Tranche 1 Shares as detailed in section 2.4.

Tranche 1 Shares means up to 140,000,000 Shares at 2 cents per Share.

Tranche 2 Closing Date means the closing date for receipt of Tranche 2 Application Forms under this Prospectus as set out in Section 2.2.

Tranche 2 Offer means the conditional offer of the Tranche 2 Shares as detailed in section 2.4.

Tranche 2 Shares means up to 110,000,000 Shares at 2 cents per Share.

WST means Western Standard Time as observed in Perth, Western Australia.

GUIDE TO THE TRANCHE 1 APPLICATION FORM

If an Applicant has any questions on how to complete this Tranche 1 Application Form, please telephone the Share Registry on 1300 787 272.

A. Application for Shares

The Tranche 1 Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Tranche 1 Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Payment Details

Make cheques payable to "Signature Metals Limited – Offer Account" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Tranche 1 Application Form.

H. Declaration

This Tranche 1 Application Form does not need to be signed. By lodging this Tranche 1 Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Shares specified in the Tranche 1 Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Tranche 1 Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Tranche 1 Application Form or a copy of the Tranche 1 Application Form before applying for the Shares; and
- (5) acknowledges that he/she will not provide another person with this Tranche 1 Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Tranche 1 Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

GUIDE TO THE TRANCHE 2 APPLICATION FORM

If an Applicant has any questions on how to complete this Tranche 2 Application Form, please telephone the Share Registry on 1300 787 272.

A. Application for Shares

The Tranche 2 Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Tranche 2 Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Payment Details

Make cheques payable to "Signature Metals Limited – Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Tranche 2 Application Form.

H. Declaration

This Tranche 2 Application Form does not need to be signed. By lodging this Tranche 2 Application Form and a cheque for the application money this Applicant hereby:

- (6) applies for the number of Shares specified in the Tranche 2 Application Form or such lesser number as may be allocated by the Directors;
- (7) agrees to be bound by the constitution of the Company;
- (8) authorises the directors of the Company to complete or amend this Tranche 2 Application Form where necessary to correct any errors or omissions;
- (9) acknowledges that he/she has received a copy of the Prospectus attached to this Tranche 2 Application Form or a copy of the Tranche 2 Application Form before applying for the Shares; and
- (10) acknowledges that he/she will not provide another person with this Tranche 2 Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Tranche 2 Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund