



ASX Release

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DRILLING COMMENCED AT KONONGO GOLD PROJECT

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

The Company has secured Ausdrill Limited's (ASX:ASL) wholly owned subsidiary African Mining Services (AMS) to drill a 4,000 metre diamond core programme. A drill rig has been mobilised to site and diamond core drilling commenced today. Drilling will continue until the end of the year, with regular updates to be released as results are received.

Diamond core drilling will target extensions to high grade shoots intersected in historical drilling at the Obenemase Deposit:

- **OBAD113** – 10m at 11.8g/t gold from 237 metres
- **04OBADD038** – 6m at 6.46g/t gold from 188 metres
– 4m at 8.73g/t gold from 201 metres
- **OBAD83** – 8m at 15.3g/t gold from 178 metres
- **OBAD84** – 5m at 12.8g/t gold from 216 metres
- **OBAD66** – 12m at 5.21g/t gold from 165 metres
- **OBAR/P90** – 16m at 7.42g/t gold from 81 metres
- **OBAR/P91** – 32m at 8.62g/t gold from 48 metres
- **ODHD34** – 27m at 8.59g/t gold from 50 metres
- **ODHD37** – 10m at 7.96g/t gold from 68 metres
- **ODHD44** – 5m at 8.48g/t gold from 78 metres
– 11m at 7.55g/t gold from 93 metres
- **ODHD51** – 63.3m at 9.70g/t gold from 28 metres
- **OBAD58** – 20m at 6.30g/t gold from 186 metres
- **OBAD59** – 7m at 10.3g/t gold from 188 metres
- **OBAD110** – 8m at 7.70g/t gold from 60 metres
– 6m at 11.5g/t gold from 274 metres
- **04OBAD005** – 16m at 11.4g/t gold from 107 metres

These intersections are open along strike and at depth. Historical mining at Obenemase (open pit and underground) produced 102,700 ounces of gold from 1 million tonnes of ore at a recovered grade of 8.17g/t gold.

The Obenemase Deposit is currently estimated to contain 2.38 million tonnes at 3.18g/t gold (for 238,000 ounces of gold in the Indicated & Inferred categories – detailed in Table 1) and the Company believes that better delineation of the high grade shoots within the deposit (shown in Figure 1) will result in an increase in the resource grade consistent with the historical head grade and the grade intersected in previous drilling.

The Company will review and update the Obenemase resource model in parallel with this drilling programme.

This is another important step in Signature Metals' strategy to move the Konongo Gold Project into production and to build a long-term, economically viable operation similar to those already operating in the Ashanti region.

**Drilling at the
Konongo Gold Project**



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- Building a strategy to rapidly develop the Konongo Gold Project into a +100,000 ounce per annum gold producer.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- Reviewing existing JORC Resources of approximately one million ounces (see Table 1).
- Exploration Target¹ of 1.5 - 2.5 million ounces of gold (20 – 25 million tonnes at a resource grade of 2-4g/t gold).
- Exploration work programmes have commenced.
- Onsite CIL plant and tailings dam available and serviceable at a fraction of the cost of purchasing a new/second hand plant. Lead time envisaged to be 6-12 months if fast tracked.

Signature Metals is rapidly advancing the Konongo Gold Project and putting in place a strategy for the Company to become a significant gold producer in a proven high grade gold belt.

Bill Oliver
Managing Director
SIGNATURE METALS LIMITED

¹This exploration target is conceptual in nature and relates to defined exploration targets/areas where mineralisation has been identified but resources have not been delineated. The quantity and grade of the exploration target is based on past production records and in comparison with currently defined Mineral Resources contained within the project. There has been insufficient exploration to define a Mineral Resource in these areas (aside from the resources presented earlier) and it is uncertain if further exploration will result in the determination of a Mineral Resource different to the JORC-Code compliant resource presented earlier. Signature Metals has an exploration strategy to systematically test these areas to determine if Mineral Resources are present.

The information in this release which relates to Exploration Results and Mineral Resources has been compiled and reviewed by Mr Bill Oliver from publically stated JORC-compliant information originally prepared in 2005 by RSG Global for Mwana Africa's AIM-listing document along with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. This information, in the opinion of Mr Oliver, complies with the reporting standards of the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Oliver is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is the Managing Director of Signature Metals and consents to the inclusion of this table in the form and context in which it appears based on the information presented to him.

**Drilling at the
Konongo Gold Project**

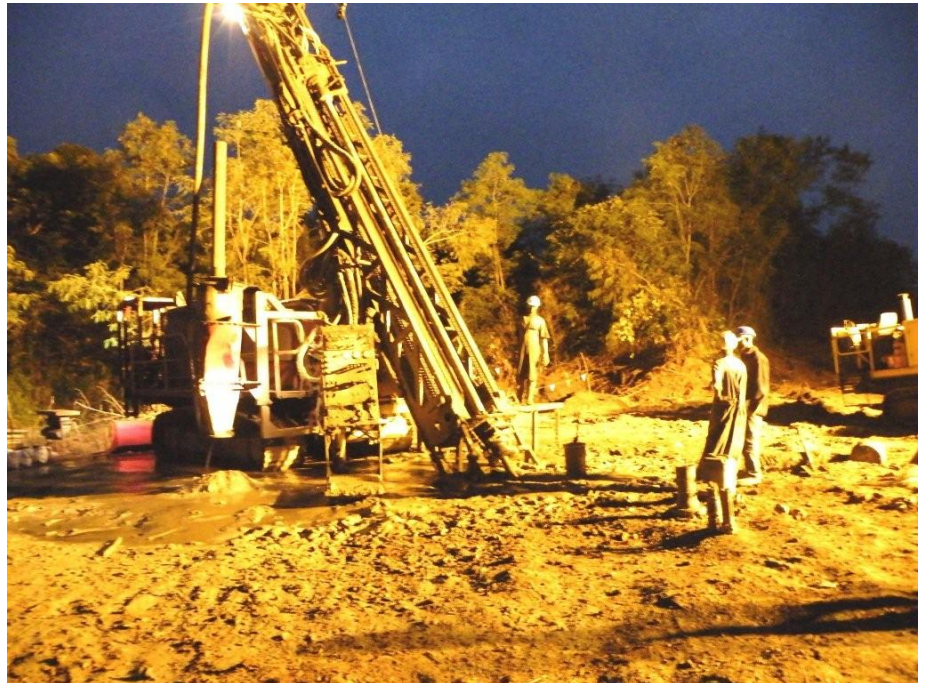


Table 1. Resources contained within the Konongo Gold Project

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces
Obenemase				1,297,000	3.43	143,000	1,081,000	2.88	100,000	2,378,000	3.18	243,000
Asieye							1,500,000	0.80	38,581	1,500,000	0.80	38,581
Kwakawkaw							344,000	4.31	47,673	344,000	4.31	47,673
Nyabo East							540,000	1.03	17,939	540,000	1.03	17,939
Patuo				43,000	1.60	2,212	122,000	1.42	5,565	165,000	1.47	7,777
Kyereben West							124,000	3.10	12,359	124,000	3.10	12,359
Atunsu North							164,000	4.49	26,165	164,000	4.49	26,165
Aserewa				20,000	1.90	1,222	423,000	3.27	44,423	443,000	3.20	45,645
Atunsu				14,000	3.10	1,395	146,000	4.32	20,275	160,000	4.21	21,670
Apan				24,000	2.50	1,929	530,000	5.46	93,121	554,000	5.34	95,050
Leopard Shaft							95,000	7.55	23,071	95,000	7.55	23,071
Boabedroo				30,000	2.82	2,720	2,985,972	1.59	152,506	3,015,972	1.60	155,226
Akyenase Central				58,000	4.00	7,459	96,000	8.80	27,161	154,000	6.99	34,620
Santreso West				3,520,000	1.20	135,807	810,000	1.25	32,553	4,330,000	1.21	168,360
Santreso South							340,000	1.16	12,682	340,000	1.16	12,682
Santreso East							700,000	1.27	28,612	700,000	1.27	28,612
Total	0	0	0	5,006,000	1.84	295,744	10,000,972	2.12	682,686	15,006,972	2.02	978,430

The Mineral Resource presented in this table has been compiled and reviewed by Mr Bill Oliver from publically stated JORC-compliant information originally prepared in 2005 by RSG Global for Mwana Africa's AIM-listing document with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. This information, in the opinion of Mr Oliver, complies with the reporting standards of the 2004 JORC Code. Mr Oliver is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is the Exploration Director of Signature Metals and consents to the inclusion of this table in the form and context in which it appears based on the information presented to him.