SIGNATURE
METALS LIMITED

ABN 86 106 293 190

Half-year Financial Report

30 September 2013

CORPORATE DIRECTORY

Directors
Mr Soo Khoon Raymond Tan (Non-Executive Chairman)
Dr Denis Edmund Clarke (Non-Executive Director)
Mr Roland Kenneth Selvanayagam (Non-Executive Director)
Mr Peter Chen (Executive Director)

Chief Executive Officer
Mr Chris Gbyl

Company Secretary
Ms Catherine Officer

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Auditors
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Freshwater Place, 2 Southbank Boulevard
Southbank VIC 3006 Australia

Stock Exchange
Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: SBL

Contents

The interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2013 and any public announcements made by Signature Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

The directors of Signature Metals Limited submit the half-year financial report of the consolidated entity (referred to hereafter as the Group) consisting of Signature Metals Limited and the entities it controlled at the end of, or during, the half-year ended 30 September 2013.

Directors

The following persons were directors of the Group during the whole of the half-year and up to the date of this report:

Mr Soo Khoon Raymond Tan	Non-Executive Chairman
Mr Roland Kenneth Selvanayagam	Non-Executive Director
Mr Denis Edmund Clarke	Non-Executive Director
Mr Peter Chen	Executive Director

Activities and Financial Review

The Konongo Gold Project contains 16 known gold deposits along 12 kilometres of strike along the Ashanti Gold Belt in Ghana.

OVERVIEW

In January 2013 the Company announced a strategic refocus of the operation to achieve a Life of Mine which reflects the significant sulphide mining potential and the significant near-surface mineralisation potential of the Konongo Gold Project. During the reporting period, the Company continued to redeploy its resources to support an aggressive surface exploration program and resource review.

Commensurate with the strategic refocus, the Company continued the redundancy exercise that had commenced in the previous reporting period. The oxide processing plant, supporting infrastructure and the haul road have been placed on a care and maintenance regime. No processing of oxide ore has occurred in this reporting period.

Early in the reporting period, the Company engaged Snowden Mining Industry Consultants to conduct a high level Scoping Study to support the proposed exploration effort at Konongo and the view that there are reasonable prospects for economic extraction of sufficient sulphide resources at depth to support a longer term mine life. The first stage is a high level resource review, which is designed to ascertain whether there is a reasonable foundation for the resources. The second stage of the Study, which is yet to commence, will consider social, environment, metallurgical and mining factors and will incorporate a financial assessment. Work progressed on the first stage of the Study during the reporting period.

EXPLORATION

Exploration focused on two principal objectives during the half year:

(i) Finalisation of the first phase of the 2013 regional shallow drilling program that targeted historic and untested areas for shallow mineralisation potential, both oxide and sulphide.

(ii) Renewed testing by Reverse Circulation (RC) drilling and Diamond Drilling (DD) drilling for sulphide mineralisation at shallow to moderate depths, around the established resource at Obenemase.

Both exploration objectives returned encouraging results. Exploration for oxide mineralisation identified multiple new targets. Over 5km of new targets were defined, eight of which will be followed up with RC drilling.

Diamond drilling focussed on testing a revised sulphide mineralisation model to 300 metres vertical depth. The Obenemase B lode mineralisation has been extended 170 metres and remains open. A new sulphide mineralisation has been identified to the north of A-Lode, and remains untested along strike and down dip.

During the half-year period the Group focused on the discovery and delineation of oxide mineralisation in and close to known deposits and generation of new targets more distant from known deposits. The oxide mineralisation focus used both RC and DD drilling programs. During the half-year 34,165 metres of Aircore (AC) drilling, 6,997 metres of RC drilling and 3,446 metres of DD drilling were completed.

CORPORATE

On 7 June 2013 the Company announced that the mechanism for the sale of unmarketable parcels previously announced in March had been completed with 753 former shareholders holding an aggregate 17,727,603 shares taking part in the sale. This represented 0.64% of the Company's total number of shares on issue.

On 14 June 2013 the Company announced a change to the registered office and principal place of business address, telephone and facsimile numbers for the Company.

On 21 August 2013 the Company announced the resignation of Adrian Di Carlo as Company Secretary and the appointment of Catherine Officer.

The Annual General Meeting of the Company was held in Melbourne on 28 August 2013. Results of the Annual General Meeting held on 28 August 2013, quarterly reports and other announcements can be found on the website of the group at www.signaturemetals.com.au.

FINANCIAL POSITION AND RESULTS

There were no gold sales during the reporting period due to the cessation of trial mining and batch processing at the Konongo Gold Project during the March 2013 reporting period. Expenditure during the September 2013 half year reporting period focussed on the accelerated exploration programme and care and maintenance expenditure to maintain the Konongo Gold Project facilities and infrastructure. Expenses for the reporting period totalled $9,563,252. In previous reporting periods, development expenditure relating to trial mining and batch processing was capitalised to the Exploration, Evaluation and Development asset. With the suspension of trial mining and batch processing operations, the Konongo Gold Project has transitioned to a care and maintenance regime with all associated expenditure expensed thereby increasing expenditure levels in comparison to prior reporting periods.

Expenditure on the current exploration programme continues to be capitalised to the Exploration, Evaluation and Development asset consistent with the Group's accounting policies.

Recognition of the expense of the minority shareholder in loans to the Konongo Gold Project / Owere Mines Ltd was initially recognised in the March 2013 results. Discussions concerning this matter have now been finalised and the expense associated with the minority shareholder's interest in the additional funding supplied during the September 2013 half year reporting period has been recognised and contributes $1,831,830 to the reporting period expense. Please refer to note 8 for additional detail.

The loss after tax for the half year ended 30 September 2013 was $9,562,777 (31 December 2012 loss of $230,227).

Subsequent Events

On 25 November it was announced that Owere Mines Limited had entered into a Heads of Agreement with B&C Gold Pty Ltd in which Owere Mines will procure and process gold bearing waste tailings as part of environmental clean-up arrangements. Processing of the tailings will occur at the Konongo Gold Project and it is anticipated that income produced from the arrangement will assist in the exploration activities at the Konongo Gold Project.

There have been no other significant events subsequent to the half-year to the date of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act* is set out on page 7 and forms part of this directors' report for the half-year ended 30 September 2013.

This report is signed in accordance with a resolution of the Board of Directors.

Mr Soo Khoon Raymond Tan
Non- Executive Chairman

Melbourne, Victoria
13 December 2013

Auditor's Independence Declaration

As lead auditor for the review of Signature Metals Limited for the half-year ended 30 September 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Signature Metals Limited and the entities it controlled during the period.

Amanda Campbell
Partner
PricewaterhouseCoopers

Melbourne
13 December 2013

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Consolidated Statement of Comprehensive Income
for the half-year ended 30 September 2013

	6 months ended 30 September 2013 $	6 months ended 31 December 2012 $
Interest income	475	1,512
Administrative expenses	(2,212,108)	(204,858)
Listing and share registry expenses	(43,134)	(24,225)
Accounting and audit expenses	(190,360)	(20,066)
Consulting fees	(243,510)	(12,473)
Legal fees	(28,063)	(83,338)
Foreign exchange (loss) / gain	(3,715,283)	236,700
Directors and employees benefits	(1,200,777)	(105,359)
Expense from remeasuring the contingent consideration from Owere Mines acquisition	(81,827)	-
Finance cost	(16,360)	(18,120)
Expense for minority interest in loans to Owere Mines Ltd	(1,831,830)	-
Loss from continuing operations before income tax	**(9,562,777)**	**(230,227)**
Income tax expense	**-**	**-**
Loss for the half-year	**(9,562,777)**	**(230,227)**
Other Comprehensive loss that may be reclassified to profit and loss:		
Foreign currency translation difference	(537,401)	(135,260)
Other comprehensive loss for the half-year	**(537,401)**	**(135,260)**
Total comprehensive loss for the half-year	**(10,100,178)**	**(365,487)**
Loss for the half-year is attributable to:		
Owners of Signature Metals Limited	(8,467,012)	(252,459)
Non-controlling interest	(1,095,765)	22,232
	(9,562,777)	**(230,227)**
Total comprehensive loss for the half-year is attributable to:		
Owners of Signature Metals Limited	(7,057,645)	(451,101)
Non-controlling interest	(3,042,533)	85,614
	(10,100,178)	**(365,487)**
Loss per share attributable to owners of Signature Metals Limited		
Basic and diluted loss per share (cents per share)	(0.35)	(0.01)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 September 2013

	Note	30 September 2013 $	31 March 2013 $
Assets			
Current Assets			
Cash and cash equivalents		158,654	282,628
Trade and other receivables		577,877	648,630
Total Current Assets		**736,531**	**931,258**
Non-Current Assets			
Trade and other receivables		3,785,110	3,335,188
Property, plant and equipment	5	10,325,639	10,115,165
Reclamation bond		215,500	192,731
Exploration, evaluation and development expenditure	6	39,997,715	36,496,406
Total Non-Current Assets		**54,323,964**	**50,139,490**
Total Assets		**55,060,495**	**51,070,748**
Current Liabilities			
Trade and other payables	7	1,521,942	3,419,915
Interest bearing loan	7	-	452,949
Employee Entitlements	7	131,403	315,895
Total Current Liabilities	7	**1,653,345**	**4,188,759**
Non-Current Liabilities			
Unsecured loan facility	8	32,196,845	18,846,325
Financial liability arising under Asset Purchase Agreement	8	1,758,315	1,676,488
Financial liability for minority interest in loans to Owere Mines Ltd	8	12,994,791	9,936,253
Provisions	8	823,243	688,789
Total Non-Current Liabilities		**47,773,194**	**31,147,855**
Total Liabilities		**49,426,539**	**35,336,614**
Net Assets		**5,633,956**	**15,734,134**
Equity			
Equity attributable to equity holders of the parent			
Issued capital	4	60,195,661	60,195,661
Reserves		(2,844,895)	(4,254,262)
Accumulated losses		(46,488,681)	(38,021,669)
Parent equity		**10,862,085**	**17,919,730**
Non-controlling interest		(5,228,129)	(2,185,596)
Total Equity		**5,633,956**	**15,734,134**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the half-year ended 30 September 2013

	Consolidated								
	Issued capital $	**Accumulated Losses $**	**Share-Based Payments Reserve $**	**Option Reserve $**	**Foreign Currency Translation Reserve $**	**Contingent Consideration Reserve $**	**Owners of the Parent $**	**Non-controlling Interest $**	**Total $**
Balance at 1 April 2013	**60,195,661**	**(38,021,669)**	**3,811,159**	**550**	**(8,580,375)**	**514,404**	**17,919,730**	**(2,185,596)**	**15,734,134**
Loss for the half-year	-	(8,467,012)	-	-	-	-	(8,467,012)	(1,095,765)	(9,562,777)
Other comprehensive income	-	-	-	-	1,409,367	-	1,409,367	(1,946,768)	(537,401)
Total comprehensive income for the half-year	**-**	**(8,467,012)**	**-**	**-**	**1,409,367**	**-**	**(7,057,645)**	**(3,042,533)**	**(10,100,178)**
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Balance at 30 September 2013	**60,195,661**	**(46,488,681)**	**3,811,159**	**550**	**(7,171,008)**	**514,404**	**10,862,085**	**(5,228,129)**	**5,633,956**
Balance at 1 July 2012	**60,195,661**	**(26,481,861)**	**3,811,159**	**550**	**(7,839,901)**	**514,404**	**30,200,012**	**(1,838,248)**	**28,361,764**
Loss for the half-year	-	(252,459)	-	-	-	-	(252,459)	22,232	(230,227)
Other comprehensive income	-	-	-	-	(198,642)	-	(198,642)	63,382	(135,260)
Total comprehensive income for the half-year	**-**	**(252,459)**	**-**	**-**	**(198,642)**	**-**	**(451,101)**	**85,614**	**(365,487)**
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Balance at 31 December 2012	**60,195,661**	**(26,734,320)**	**3,811,159**	**550**	**(8,038,543)**	**514,404**	**29,748,911**	**(1,752,634)**	**27,996,277**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the half-year ended 30 September 2013

	6 months ended September 2013 $	6 months ended December 2012 $
Cash flows from operating activities		
Payments to suppliers and employees	(3,755,280)	(224,622)
Interest received	475	1,512
Net cash flows used in operating activities	**(3,754,805)**	**(223,110)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(866,944)	(1,947,909)
Proceeds from gold sales during trial mining	-	8,486,992
Expenditure on reclamation bond	(35,964)	-
Payments for exploration, evaluation and development expenditure	(5,475,306)	(14,762,004)
Net cash used in investing activities	**(6,378,214)**	**(8,222,921)**
Cash flows from financing activities		
Proceeds from borrowings and advances	10,436,810	9,198,795
Repayment of borrowings	(452,949)	-
Net cash from financing activities	**9,983,861**	**9,198,795**
Net (decrease)/increase in cash and cash equivalents	**(149,158)**	**752,764**
Cash and cash equivalents at beginning of period	282,628	996,706
Effects of exchange rate fluctuations on cash held	25,184	39,180
Cash and cash equivalents at the end of the period	**158,654**	**1,788,650**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The condensed consolidated interim financial report of Signature Metals Limited (the Company) and its controlled entities (“the Group” or “the consolidated entity”) for the half-year ended 30 September 2013 was authorised for issue in accordance with a resolution of the directors on 13 December 2013.

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

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

Basis of Preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 September 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The condensed consolidated interim financial report does not include all notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2013 and any public announcements made by Signature Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Group accounting policies in relation to the basis of consolidation were reviewed as a result of new or revised accounting standards which became effective for the annual reporting period commencing on or after 1 January 2013. The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB10 than under AASB 127. As a result of the adoption of AASB10 and a review consolidation conclusions, no differences or adjustments to any of the carrying amounts in the financial statements is required. Other new standards that are applicable for the first time for the September 2013 interim financial report are AASB 13 Fair Value Measurement, AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities and AASB 202-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycles. These standards have had no effect on the entities accounting policies or any of the amounts recognised in the financial statements.

On 15 January 2013, the Company announced that it had notified ASIC of a change to the financial year end from 30 June to 31 March with effect from 1 July 2012. The period end report for the 9 months from 1 July 2012 to 31 March 2013 was released on 30 June 2013. This reporting period is therefore for the 6 month period commencing 1 April 2013 and ending 30 September 2013. Prior year comparatives are for the 6 month period ending 31 December 2013.

Going concern

The half-year financial report has been prepared on a going concern basis, which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

During the half-year ended 30 September 2013, the consolidated entity incurred net losses of $9,562,777 (2012: $230,227), of which $8,467,012 (2012: $252,459) was attributable to the owners of Signature Metals. Total comprehensive loss for the half year attributable to the owners of Signature Metals was $7,057,645 (2012: $451,101).

At 30 September 2013, the consolidated entity had a working capital deficit of $916,814 (31 March 2013: $3,257,501) and net assets of $5,633,956 (31 March 2013: $15,734,134). The cash position of the Group at 30 September 2013 was $158,654 (31 March 2013: $282,628).

The Company has previously announced via various ASX Releases that it had entered into an unsecured loan facility agreement with the 76% shareholder LionGold Corp Ltd (LionGold) for an increased amount of US$50,000,000. The ability of the consolidated entity to continue as a going concern is dependent upon the availability of funding under the US$50 million loan facility provided by LionGold to continue funding exploration activities and sustaining expenses. LionGold intends to fund the loan facility through existing cash reserves and future capital raising.

The ability of the Company being able to repay the unsecured loan facility to LionGold is dependent on future mining success, refinancing and utilising plant capacity.

As a result of the matters discussed above, there is a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. However, the Directors believe that the Group will be successful in securing funds through the financial support from LionGold in the interim, and that ultimately the Group will generate profits from future mining operations or raise additional equity to repay all debts as they fall due. Accordingly, the directors have prepared the financial report on a going concern basis.

The financial report does not contain any adjustments relating to the recoverability or classification of recorded assets nor to the amounts or classifications of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

NOTE 2: SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves mining and exploration for gold and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. The accounting policies used in reporting segments internally are the same as those contained in note 1 to the accounts.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2013

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires directors and management to make evaluations, estimates and judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions. Estimate and judgements are continually evaluated and are based on historical knowledge, best available current information based on current trends and economic data obtained both externally and within the group including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is changed and in any future periods affected.

The Group has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made, and where actual results may differ from these estimates under different assumptions and conditions that could materially affect financial results or financial position reported in future periods.

(a) Impairment of Property, plant and equipment and deferred exploration and evaluation expenditure

In January 2013, the company suspended trial mining and batch processing activities at the Konongo Project to focus on an exploration programme that will be funded by LionGold. Should LionGold not be able to provide sufficient financial support to fund additional exploration, there is material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(i) Exploration, evaluation and development expenditure

Exploration and evaluation expenditure has been carried forward on the basis that exploration and evaluation of the area of interest is continuing and has not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. The mining license for Konongo Gold Project, that provides the right of tenure, remains current, and the company is still committed to exploration and ultimately development of the project if demonstrated to be economically viable.

The carrying forward of exploration and evaluation expenditure requires management to make estimates and judgements, in particular whether currently available information, permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. The directors believe that currently available information does not suggest that there are any impairment triggers. These estimates and judgements may change as new information becomes available. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of comprehensive income in the period in which the determination is made.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

(ii) Property, Plant and Equipment

The suspension of trial mining activities to focus on exploration has been identified as an indicator of impairment for the Konongo Gold Project plant and equipment. The Company has determined the Konongo Gold Project to be a single cash generating unit (CGU) as the plant and equipment cannot be separated from the mining license. It is currently impracticable to estimate future cash flows, as key assumptions relating to reserves and resources that in turn drive production estimates are yet to be established through further exploration. The directors have considered the fair value, less cost to sell for the Konongo project, taking into account the implied value from the transaction with LionGold and believe that the value of the related assets can be recovered through the successful development of the Konongo Project or its sale, and are carrying the assets on that basis.
It is noted that if the formal arrangement with B&C Gold proceeds, the processing facility at the Konongo Gold Project will be taken out of care and maintenance and utilised to process the tailings.

The carrying values of property, plant and equipment and deferred exploration and evaluation expenditure for the Konongo Gold project will continue to be assessed as new information and exploration results become available. Future assessments may result in adjustments to carrying values of assets and these adjustments will be recognised in the statement of comprehensive income in the period in which the determination is made.

(b) Resources and Ore Reserves

The group estimates Mineral Resources and Reserves based on information compiled by competent persons (as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as revised December 2004 (the JORC code). Resources, if applicable, determined in this way are taken into account in the calculation of impairment, mining properties and rehabilitation expenditure.

The Konongo Gold Project has Inferred and Indicated Mineral Resources, Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration to define these Inferred Mineral Resources as Indicated Mineral Resources or the Indicated Mineral Resources as Measured Mineral Resource as there is insufficient close-spaced drill hole data to adequately define grade and geological continuity for this structurally complex deposit. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category or to Ore Reserves.
The determination of Mineral Resources and mine life affects the Group's financial results and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and the rehabilitation provision.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2013

(c) Rehabilitation and Mine Closure Provisions

The Group has undertaken a process of estimating future site rehabilitation and restoration requirements, the timing of such requirements and the associated costs. Such costs have been determined based on estimates of future costs, the expected timing of expenditure, current legal and government requirements, current technology, the Group's current environmental policy, the effects of inflation and an estimated risk free rate for cash flow discounting. Significant judgement is required in determining the provision for rehabilitation and mine closure. A change in any or a combination of the key assumptions used to determine the provisions could have a material impact on the carrying value of the provision. The provision recognised at each reporting date is based on the facts and circumstances available at the time with any changes to estimated future costs recognised in the provision for that reporting period.

(d) Financial Liabilities arising under Asset Purchase Agreement

Significant judgement is required to determine the estimated future cash flows of the financial liability based upon the probability of economically viable extraction of the mineral resource, timing of such extraction and the risk associated with the project. A change in any of the key judgements used to determine the cash flows could have material impact on the carrying value of this liability.

(e) Income Taxes

The Group is subject to income tax in Australia and Ghana. Significant judgement is required to determine the tax calculations and utilisation of tax losses for each entity within the Group. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax assets and liabilities based on the Group's current understanding of the tax law and the expected future utilisation of these assets and liabilities. Where the final tax outcome of these matters is different from the calculated amounts, such differences will impact on the period in which such determination is made.

NOTE 4: ISSUED CAPITAL

	Consolidated	
	30 September 2013 $	**31 December 2012 $**
Ordinary shares		
Issued and fully paid	60,195,661	60,195,661

	30 September 2013		31 December 2012	
	Number of Shares	**$**	**Number of shares**	**$**
Movements in ordinary shares on issue				
At beginning of reporting period	2,759,575,214	60,195,661	2,759,575,214	60,195,661
At end of reporting period	**2,759,575,214**	**60,195,661**	**2,759,575,214**	**60,195,661**

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2013

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	6 months to 30 Sep 2013 $	6 months to 31 Dec 2012 $
Carrying amount at the beginning of period	10,115,165	8,057,856
Foreign exchange difference	(108,633)	(58,874)
Additions	866,944	1,947,909
Depreciation charge for the reporting period	(547,837)	(399,360)
Carrying amount at the end of period	10,325,639	9,547,531

The increase in the property, plant and equipment relates to the purchase of office equipment, motor vehicle and works in progress.

NOTE 6: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	6 months to 30 Sep 2013 $	6 months to 31 Dec 2012 $
Carrying amount at the beginning of period	36,496,406	-
Transfer from Mineral Properties in Development at 31 December 2012	-	34,471,367
Expenditure during the period	3,949,373	-
Foreign exchange difference	(448,064)	-
Carrying amount at the end of period	39,997,715	34,471,367

At 31 December 2012, Mineral Properties in Development expenditure was reclassified to Exploration and Evaluation expenditure.

The recoverability of the carrying amount of Exploration and Evaluation expenditure is dependent on further exploration and review. The determination of Mineral Resources, Exploration Targets and mine life affects the Group's financial results and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2013

NOTE 7: CURRENT LIABILITIES

	Consolidated	
	30 Sep 2013 $	**31 Mar 2013 $**
Trade payables	1,521,942	3,419,915
Trade and Other Payables	1,521,942	3,419,915
Interest bearing loan	-	452,949
Provisions	131,403	315,895
Total Current Liabilities	1,653,345	4,188,759

The interest bearing loan agreement matured in September 2013 in accordance with the agreement and the associated extension. At 30 September 2013 the loan value was Nil (March 2013: $452,949).

NOTE 8: NON-CURRENT LIABILITIES

	Consolidated	
	30 Sept 2013 $	**31 Mar 2013 $**
Unsecured loan facility	32,196,845	18,846,325
Financial liability arising under asset purchase agreement	1,758,315	1,676,488
Financial liability for minority interest in loans to Owere Mines Ltd	12,994,791	9,936,253
Rehabilitation Provision	823,243	688,789
Total Non-Current Liabilities	47,773,194	31,147,855

Unsecured Loan Facility

In July 2012 the group announced the entry into an unsecured loan facility with its 76% shareholder, LionGold Corp Ltd. LionGold agreed to provide advances to the group for working capital purposes to a value for the half-year ended 31 December 2012 of US$11,000,000. The loan is non-trade, unsecured and not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years.

In the 31 March 2013 reporting period a further announcement was made to the market advising that the unsecured loan facility has been increased to US$50,000,000. All other terms regarding interest and repayment terms remain unchanged.

At 30 September 2013, the Group had drawn down $32,196,845 (March 2013: $18,846,325).

Financial Liability Arising under Asset Purchase Agreement

The Group recognised the financial liability arising under the asset purchase agreement to purchase 70% of the Konongo Gold Project. The deferred consideration is recognised as a financial liability at amortised costs at an effective interest rate of 12% to be paid in 2018.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

Financial Liability for Minority Interest in loans in Owere Mines Ltd

The minority shareholder in Owere Mines Limited had previously asserted that the intercompany balance that exists between Signature Metals and Owere Mines Limited should be owed and payable to Signature Metals and the minority shareholder in the proportion of 80:20 respectively. Discussions concerning this matter have now been finalised and an agreement has been reached concerning the terms and repayments of the intercompany balance. As a result of this agreement, the payable amount has been increased in accordance with increases in the intercompany balance and categorised as a financial liability.

Rehabilitation Provision

During the course of the reporting period, the Group has continued to perform incremental rehabilitation of tenement areas at the Konongo Gold Project. The Group has previously undertaken a process of estimating costs of future site rehabilitation and restoration. Costs associated with previous mining and exploration activity are provided for as and when obligations arise and are included in the cost of the related area of interest. At 30 September 2013 the rehabilitation provision amount was $823,243 (March 2013: $688,789).

NOTE 9: COMMITTMENTS

Following the surrender of the lease for 689 Burke Road Pty Ltd effective from 1 June 2013, there are no known commitments at the date of this report.

NOTE 10: DIVIDENDS

No dividends have been paid or provided for during the half-year.

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: SUBSEQUENT EVENTS

On 25 November it was announced that Owere Mines Limited had entered into a Heads of Agreement with B&C Gold in which Owere Mines will procure and process gold bearing waste tailings as part of environmental clean-up arrangements. Processing of the tailings will occur at the Konongo Gold Project and it is anticipated that income produced from the arrangement will assist in the exploration activities at the Konongo Gold Project.

DIRECTORS' DECLARATION

In the opinion of the directors of Signature Metals Limited:

1. The financial statements and notes, as set out on pages 8 to 19, are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

    b. giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that Signature Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

Soo Khoon Raymond Tan
Non-Executive Chairman

Melbourne, Victoria
13 December 2013

Independent auditor's review report to the members of Signature Metals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Signature Metals Limited, which comprises the statement of financial position as at 30 September 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Signature Metals Limited Group (the consolidated entity). The consolidated entity comprises both Signature Metals Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Signature Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Signature Metals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Notes 1 and 3(a) in the financial report. These notes comment on the company's reliance on availability of funds under the debt facility from LionGold Corp Ltd to finance ongoing exploration activities and settle liabilities as they fall due. The ability of the company to repay the LionGold Corp Ltd facility when it falls due is dependent on future mining success, refinancing and utilising plant capacity. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Amanda Campbell
Partner

Melbourne
13 December 2013