SIGNATURE
METALS LIMITED

ABN 86 106 293 190

Half-year Financial Report

30 September 2016

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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 2016 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 (the "Company") 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 2016.

DIRECTORS

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

Soo Khoon Raymond Tan	Non-Executive Chairman
Peter Chen	Executive Director (resigned with effect from 1 January 2017)
Roland Kenneth Selvanayagam	Non-Executive Director
Denis Edmund Clarke	Non-Executive Director

Chris Gbyl	Chief Executive Officer (service agreement expired on 31 December 2016)
Catherine Officer	Company Secretary

REVIEW OF OPERATIONS

NATURE OF OPERATIONS

The principal continuing activities of companies within the Group were mineral exploration and examination of new resource opportunities. There are no changes to the Group principal activities during the half-year.

KONOGO GOLD PROJECT

Operations are focused on the Konongo Gold Project ('the Project") in Ghana, which contains 16 known gold deposits along 12 kilometres of the gold-prospective west margin of the world class Ashanti Gold Belt. The concession includes maintained mining infrastructure (a 320ktpa CIL processing plant as well as access to power, water, haul roads and sealed roads). The Group's interest in the Project was a 70% holding in the Ghana-based subsidiary, Owere Mines Limited ("OML"), the entity under which the Project is owned and operated.

Operations at the Konongo Gold Project has been on care and maintenance since November 2013 and drilling and exploration work has been suspended since middle of May 2014.

In order to develop the Project into production, significant funding would be required to build a treatment plant able to process the sulphide ore, continue with exploration and drilling work to complete the life of mine study and a scoping study, and to commence construction of the underground mine to access the sulphide orebodies. The Company has concluded that it will be unable to continue to solely fund advancement and development of the Project.

FUNDING

Since January 2015, the Company has had difficulties supporting the expenditure of the Project, despite reducing operating costs to a minimum.

By January 2016, the Board has determined that no further reasonable options are available to fund OML's continuing operations. The situation at the Project had by then deteriorated and there were risks of social, security and environmental problems arising.

The Directors of the Company have determined that taking into account all matters, including the financial position of the Company, the ongoing costs associated with its current obligations in relation to the Project, and the funding required to develop the Project to production, it is in the best interests of the Company as a whole to enter into a separation agreement.

EXPLORATION

There were no exploration activities during the period for the reasons stated above.

SEPARATION AGREEMENT

The Company has on 23 May 2016 entered into a separation agreement (the "Separation Agreement") with its joint venture partner Talos Ghana ("Talos") in respect of OML. The effect of the Separation Agreement will be to dilute Signature's interest in OML, from 70% to 0.01%. Details of the Separation Agreement can be found on the Company's website. In addition, the directors who were appointed by the Company had resigned from the board of OML and a board resolution was passed by the board of OML on the same day to approve the rights issue in relation to the Separation Agreement. Management takes the view that subsequent to the execution of the Separation Agreement and the resignation of SML's nominees to the Board of OML, SML no longer exercises any form of control over OML. As a result, OML has been derecognised from the Group with effect from 23 May 2016.

FINANCIAL POSITION AND RESULTS

Further to the Separation Agreement entered on 23 May 2016, OML has been derecognised from the Group. As a result, the disposal group classified as held for sale of $24,678,278 and its associated liabilities of $9,782,760 have been derecognised on the balance sheet.

An amount due to minority interest of $17,947,896 has been written off which was in line with the terms of the Separation Agreement.

There were no exploration activities during the period under review.

A loss on disposal of subsidiary of $33,867,975 was recognised as part of loss from discontinuing operations.

The loss after tax for the half year ended 30 September 2016 was $31,687,820 (30 September 2015 loss of $9,313,137).

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 4 and forms part of this directors' report for the half-year ended 30 September 2016.

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

Soo Khoon Raymond Tan
Non-Executive Chairman

Melbourne, Victoria
18 July 2017

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SIGNATURE METALS LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 30 September 2016, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

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

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 18 July 2017

Consolidated Statement of Comprehensive Income
As at 30 September 2016

	Note	6 months ended 30 September 2016 $	6 months ended 30 September 2015 $
Interest income		1	13
Directors and employees benefits		(25,000)	(33,333)
Administrative expenses		(110,482)	(85,308)
Depreciation		(1,157)	(1,973)
Finance expense		(260,262)	-
Expenses for minority interest in loans to Owere Mines Ltd		-	(181,465)
Foreign exchange gain/(loss)		1,179,562	(6,438,340)
Profit/(Loss) from continuing operations before income tax		**782,662**	**(6,740,406)**
Income tax expense		-	-
Profit/(Loss) from continuing operations for the half-year		**782,662**	**(6,740,406)**
Loss from discontinuing operations	8	(32,470,482)	(2,572,731)
Total loss for the reporting period		**(31,687,820)**	**(9,313,137)**
Other Comprehensive income/(loss) that has or may be reclassified to profit and loss:			
Foreign currency translation:			
- arising from consolidation		(580,309)	1,242,460
- arising from disposal of OML		9,635,289	-
Other comprehensive income/(loss) for the reporting period		**9,054,980**	**1,242,460**
Total comprehensive loss for the half-year		**(22,632,840)**	**(8,070,677)**
Profit/(Loss) for the half-year is attributable to:			
Owners of Signature Metals Limited:			
Loss from continuing operations		(31,950,996)	(6,740,406)
Loss from discontinuing operations		782,662	(1,800,912)
		(31,168,334)	(8,541,318)
Non-controlling interest:			
Loss from continuing operations		-	-
Loss from discontinuing operations		(519,486)	(771,819)
		(519,486)	(771,819)
		(31,687,820)	**(9,313,137)**
Total comprehensive income/(loss) for the half-year is attributable to:			
Owners of Signature Metals Limited:			
Loss from continuing operations		202,353	2,337,205
Loss from discontinuing operations		(21,151,521)	(7,285,517)
		(20,949,168)	(4,948,313)
Non-controlling interest:			
Loss from continuing operations		-	-
Loss from discontinuing operations		(1,683,672)	(3,122,365)
		(1,683,672)	(3,122,365)
		(22,632,840)	**8,070,677**

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 2016

	Note	30 September 2016 $	31 March 2016 $
Assets			
Current Assets			
Cash and cash equivalents		3,520	4,905
Trade and other receivables		5,033	39,658
Disposal group classified as assets held for sale	8	-	24,678,278
Total Current Assets		**8,553**	**24,722,841**
Non-Current Assets			
Property, plant and equipment	5	13,521	14,678
Exploration and evaluation expenditure	6	-	-
Total Non-Current Assets		**13,521**	**14,678**
Total Assets		**22,074**	**24,737,519**
Current Liabilities			
Trade and other payables		163,269	70,070
Liabilities directly associated with assets held for sale	8	-	9,782,760
Total Current Liabilities		**163,269**	**9,852,830**
Non-Current Liabilities			
Unsecured loan facility	7	48,985,916	49,096,444
Financial liability	7	1,953,683	19,641,318
Total Non-Current Liabilities		**50,939,599**	**68,737,762**
Total Liabilities		**51,102,868**	**78,590,592**
Net Assets		**(51,080,795)**	**(53,853,073)**
Equity			
Equity attributable to equity holders of the parent			
Issued capital	4	60,195,661	60,195,661
Reserves		563,610	(9,655,556)
Accumulated losses		(111,840,066)	(80,671,732)
Parent equity		**(51,080,795)**	**(30,131,627)**
Non-controlling interest		**-**	(23,721,446)
Total Equity		**(51,080,795)**	**(53,853,073)**

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 2016

	Issued capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Contingent Consideration Reserve $	Owners of the Parent $	Non-controlling Interest $	Total $
Balance at 1 April 2016	**60,195,661**	**(80,671,732)**	**(10,169,959)**	**514,404**	**(30,131,626)**	**(23,721,447)**	**(53,853,073)**
Loss for the half-year	-	(31,168,334)	-	-	(31,168,334)	(519,486)	(31,687,820)
Other comprehensive income	-	-	10,219,165	-	10,219,165	(1,164,185)	9,054,980
Total comprehensive income for the half-year	**-**	**(31,168,334)**	**10,219,165**	**-**	**(20,949,169)**	**(1,683,671)**	**(22,632,840)**
Disposal of subsidiary	-	-	-	-	-	25,405,118	25,405,118
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance at 30 September 2016	**60,195,661**	**(111,840,066)**	**49,206**	**514,404**	**(51,807,795)**	**-**	**(51,080,795)**
Balance at 1 April 2015	**60,195,661**	**(73,115,688)**	**(10,167,208)**	**514,404**	**(22,572,831)**	**(20,663,772)**	**(43,236,603)**
Loss for the half-year	-	(8,541,318)	-	-	(8,541,318)	(771,819)	(9,313,137)
Other comprehensive income	-	-	3,593,005	-	3,593,005	(2,350,545)	1,242,460
Total comprehensive income for the half-year	**-**	**(8,541,318)**	**3,593,005**	**-**	**(4,948,313)**	**(3,122,364)**	**(8,070,677)**
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance at 30 September 2015	**60,195,661**	**(81,657,006)**	**(6,574,203)**	**514,404**	**(27,521,144)**	**(23,786,136)**	**(51,307,280)**

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 2016

	6 months ended September 2016 $	6 months ended September 2015 $
Cash flows from operating activities		
Payments to suppliers and employees	(7,656)	(1,418,257)
Interest received	1	13
Net cash flows used in operating activities	**(7,655)**	**(1,418,244)**
Cash flows from investing activities		
Expenditure on exploration, evaluation and development	-	(402,653)
Net cash used in investing activities	**-**	**(402,653)**
Cash flows from financing activities		
Proceeds from borrowings and advances	6,271	1,111,418
Net cash from financing activities	**6,271**	**1,111,418**
Net (decrease)/increase in cash and cash equivalents	**(1,384)**	**(709,479)**
Cash and cash equivalents at beginning of reporting period	4,904	773,663
Net foreign exchange variances on cash	-	(37,883)
Cash and cash equivalents at the end of the period	**3,520**	**26,301**

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 2016

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 2016 was authorised for issue in accordance with a resolution of the directors on 17 July 2017.

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

Basis of Preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 September 2016 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.

The accounting policies in this report have been consistently applied by the consolidated entity and are consist with those applied in the previous financial year and those of the corresponding interim reporting period.

Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2016 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.

Changes in accounting policies and disclosures

In the reporting period ended 30 September 2016, the Group has adopted all of the new and amended Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period.

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

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the reporting period ended 30 September 2016:

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

Reference	Title	Summary	Impact on Group financial report	Application date for Group
AASB 15	Revenue from contracts with customers	New standard on revenue recognition, superseding AASB 18, Revenue, AASB 11, Construction Contracts and related interpretations.	This Standard is not expected to significantly impact the Group.	1 April 2018
AASB 9	Financial instruments	New standard that changes how entities account for financial instruments. Will supersede the accounting treatment of financial instruments under AASB 139, Financial instruments: Recognition and Measurement.	This Standard is not expected to significantly impact the Group.	1 April 2018
AASB 16	Leases	New standard on leases, superseding AASB 117, introducing a single lessee accounting model that will require a lessee to recognise a right-of-use asset and a lease liability for each lease term of more than 12 months, unless the underlying asset if of 'low value'.	This Standard is not expected to significantly impact the Group.	1 April 2019

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

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 realisation of assets and settlement of liabilities in the normal course of business.

During the half-year ended 30 September 2016, the consolidated entity incurred net losses of $31,687,820 (2015: $9,313,137), of which $31,168,334 (2015: $8,541,318) was attributable to the owners of Signature Metals. Total comprehensive loss for the half year attributable to the owners of Signature Metals was $20,949,169 (2015: $4,948,313).

At 30 September 2016, the consolidated entity had net liabilities of $51,080,795 (31 March 2016: $53,853,073). The cash position of the Group at 30 September 2016 was $3,520 (31 March 2016: $4,905).

Since January 2015, the Company has had difficulties supporting the expenditure of the Project, despite reducing operating costs to a minimum. By January 2016, the Board has determined that no further reasonable options are available to fund OML's continuing operations. The situation at the Project had by then deteriorated and there were risks of social, security and environmental problems arising. As described on page 1 of this report, the Company has concluded that it will be unable to continue to solely fund advancement and development of the Project.

On 23 May 2016, the Company entered into a separation agreement (the "Separation Agreement") to dilute the Company's interest in OML from 70% to 0.01%. Management is of the view that subsequent to the execution of the Separation Agreement and the resignation of the Company's nominees from the board of OML, the Company no longer exercise control over OML. Accordingly, OML has been derecognized from the Group with effect from 23 May 2016.

As stated in the LionGold's Annual Report for the financial year ended 31 March 2017, the Board of LionGold Corp Limited ("LionGold") believe that LionGold will be able to raise the necessary funds from its other mining operations to enable LionGold to repay their debts and fund their operations for the foreseeable future. In addition, on 29 June 2017, LionGold entered into a debt restructuring agreement with its lender to defer the repayment of the restructured loan, for a further 5 years from the date of the debt restructuring agreement, subject to LionGold obtaining all the relevant approvals necessary in relation to the debt restructuring agreement. In the event that LionGold is unable to obtain all the relevant approvals, the debt restructuring agreement shall be extended by two years and the new final repayment date shall be 18 June 2020.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

Going concern (continued)

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.

Based on the reason set out above and the letter of financial support received from the Board of LionGold, the directors are of the view that the steps proposed by the LionGold management will allow the Group to meet its debts as and when 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.

The directors acknowledge that LionGold's auditor has issued a qualified of opinion for the year ended 31 March 2017. A key matter noted in their opinion is the inherent uncertainties regarding the assumptions upon which the ability of LionGold to continue as a going concern is dependent. Notwithstanding the facts outlined above, the qualified opinion that was issued by the LionGold's auditors is understood to have a direct bearing on the Group's going concern assumption.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2016

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 Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The accounting policies used in reporting segments internally are the same as those contained in note 2 of the 31 March 2016 annual report.

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. In May 2014, exploration drilling was suspended due to restricted funding options available to LionGold to service the remaining drilling program. In order to develop the Project into production, significant funding would be required to build a treatment plant able to process the sulphide ore, continue with exploration and drilling work to complete the life of mine study and a scoping study, and to commence construction of the underground mine to access the sulphide orebodies. The Company has concluded that it will be unable to continue to solely fund advancement and development of the Project. The Company has on 23 May 2016 entered into a Separation Agreement with its joint venture partner Talos in respect of OML. The effect of the Separation Agreement will be to dilute Signature's interest in OML, from 70% to 0.01%.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

(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.

(ii) Property, 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.

(iii) Impairment Testing

The carrying value of the property plant and equipment and exploration and evaluation expenditure is supported on the basis that the Group is a going concern and will be able to obtain funding to fund further exploration and development activities.

An impairment test was performed to assess the recoverable amount of the Konongo CGU for the financial year ended 31 March 2016. The fair value less costs of disposal of the Konongo CGU was assessed by the Company to be higher than its carrying values and thus no impairment was recognised. Full details of the judgements and assumptions used in the estimation of the fair value have been included in the 31 March 2016 annual report.

There was no additional detailed impairment test performed during the period under review as the assets of OML have been derecognised from the Group.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2016

(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 2012 (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 Resources 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.

(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. In estimating the timing of expenditure, the Group has assumed that the Konongo mining license will expire in 2023 and the license will not be renewed or extended. Significant judgement is required in determining the provision for rehabilitation and mine closure. 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.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

(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 2016 $	**31 March 2016 $**
Ordinary shares		
Issued and fully paid	60,195,661	60,195,661

	30 September 2016		31 March 2016	
	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 2016

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	6 months to 30 Sep 2016 $	6 months to 31 Mar 2016 $
Carrying amount at the beginning of period	14,678	4,051,345
Foreign exchange difference	-	(340,845)
Depreciation charge for the reporting period	(1,157)	(305,968)
Transfer to disposal group classified as assets held for sale	-	(3,389,854)
Carrying amount at the end of period	13,521	14,678

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	6 months to 30 Sep 2016 $	6 months to 31 Mar 2016 $
Carrying amount at the beginning of period	-	26,602,068
Expenditure during the period	-	143,571
Foreign exchange difference	-	(1,877,777)
Allowance for impairment on exploration and evaluation expenditure		(4,857,479)
Transfer to disposal group classified as assets held for sale	-	(20,010,383)
Carrying amount at the end of period	-	-

As part of the disposal group classified as assets held for sale, exploration and evaluation expenditure has been derecognized as disclosed in Note 8.

NOTE 7: NON-CURRENT LIABILITIES

	Consolidated	
	30 Sept 2016 $	31 Mar 2016 $
Unsecured loan facility (i)	48,985,918	49,096,444
Financial liability arising under asset purchase agreement (ii)	1,953,683	1,693,422
Amount due to minority interest (iii)	-	17,947,896
Total Non-Current Liabilities	50,939,599	68,737,762

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2016

NOTE 7: NON-CURRENT LIABILITIES (continued)

(i) Unsecured Loan Facility

On 27 July 2012, the Group entered into a loan agreement with its significant shareholder, LionGold. The facility is for US$ 50 million, non-trade, unsecured and not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years from the date of the agreement. Working capital funds were drawn down under this facility during the course of the reporting period.

On 27 July 2015, The Group has entered into an addendum to the loan agreement with LionGold on the agreement that no interest should be accrued on the outstanding loan until the date that is 3 years of the addendum.

At 30 September 2016, the Group had drawn down US$37.6 million (31 March 2016: US$37.6 million).

(ii) 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 cost at an effective interest rate of 10% to be paid in 2021.

(iii) Amount due to minority interest

The loan agreement between the Company, Talos and OML stipulates that the intercompany balance between the Company and OML should be owed and payable to the Company and Talos in the proportion of 80:20 respectively. As a result of this, a financial liability has been recognised as at 31 March 2016.

Following the Separation Agreement entered into on 23 May 2016, this financial liability has been derecognised and netted off against the loss on disposal of OML.

(iv) Fair Value

The carrying amount of financial instruments have been deemed to approximate their fair values.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2016

NOTE 8: DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

On 23 May 2016, the Company entered into a Separation Agreement with its joint venture partner, Talos in respect of OML. The effect of the Separation Agreement will be to dilute the Company's interest in OML from 70.0% to 0.01%. As a result of this and the events disclosed at Note 1, OML has been derecognised from the Group with effect from 23 May 2016.

The assets and liabilities related to OML have been presented as a disposal group held for sale and results from OML until the date of disposal is presented separately on the income statement as "Discontinued Operations" accordingly.

a) An analysis of the results of discontinued operations, and the results recognised on the re-measurement of disposal group is as follows:

	Consolidated	
	30 Sep 2016	30 Sep 2015
	$	$
Directors and employees benefits	(171,665)	(528,635)
Administrative expenses	(388,780)	(1,615,388)
Depreciation	(88,764)	(293,229)
Other payables written off	3,129,114	-
Finance cost for rehabilitation	-	(77,865)
Foreign exchange loss	(1,082,412)	(57,614)
Loss on disposal of subsidiary	(33,867,975)	-
Loss from before income tax	**(32,470,483)**	**(2,572,731)**
Income tax expense	-	-
Loss from after income tax	**(32,470,483)**	**(2,572,731)**
Other Comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation		
- arising from consolidation	(580,309)	1,242,460
- arising from disposal of a subsidiary	9,635,289	-
Other comprehensive loss for the reporting period	**9,054,979**	**1,242,460**

b) The impact of the discontinued operations on the cash flows of the Group are as follows:

	Consolidated	
	30 Sep 2016	30 Sep 2015
	$	$
Operating cash flows	-	(1,995,205)
Investing cash flows	-	(1,66012)
Financing cash flows	-	1,433331
Net cash out flows	**-**	**(727,886)**

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2016

c) Details of the assets in disposal group classified as held for sale are as follows:

	Consolidated	
	30 Sep 2016	31 Mar 2016
	$	$
Property, plant and equipment	-	3,389,854
Other non-current assets	-	956,433
Security deposit	-	262,421
Exploration and evaluation expenditure	-	20,010,383
Trade and other receivables	-	4,381
Cash and cash equivalents	-	54,806
	-	**24,678,278**

d) Details of liabilities directly associated with disposal group classified as held for sale:

Trade and other payables	-	8,060,560
Rehabilitation and preservation provision	-	1,722,200
	-	**9,782,760**

e) Cumulative expense recognised in other comprehensive income relating to disposal group classified as held for sale are as follows:

	Consolidated	
	30 Sep 2016	31 Mar 2016
	$	$
Currency translation differences	-	(30,791,958)

NOTE 9: COMMITTMENTS

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.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2016

NOTE 11: CONTINGENT LIABILITIES

Sebb-Say Company Limited ("Sebb-Say") has made a claim against OML for the sum of US$176,250.41 (equivalent to approximately $230,245) being money owed to Sebb-Say for services rendered to OML. The claim also includes interest accrued since May 2013. As OML has been derecognised from the group, the amount of $230,245 has not been accounted for as liabilities as at 30 September 2016.

NOTE 12: SUBSEQUENT EVENTS

Except as disclosed in this report, there have been no other significant events after the balance date.

DIRECTORS' DECLARATION

In the opinion of the directors of Signature Metals Limited:

1. The financial statements and notes, as set out on pages 5 to 22, 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 2016 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
18 July 2017

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SIGNATURE METALS LIMITED AND ITS CONTROLLED ENTITIES

We were engaged to review the accompanying half-year financial report of Signature Metals Limited (the 'Company') and its controlled entities (together the 'Group'), which comprises the consolidated statement of financial position as at 30 September 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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. Because of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, however, we were not able to obtain sufficient appropriate evidence as a basis for expressing a review conclusion on the financial statements.

Independence

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

Basis for Disclaimer of Conclusion

1. <u>Going concern assumptions</u>

As disclosed in Note 1 to the half-year financial statements, the Group reported a loss of $31,687,820 of which $31,168,334 is attributable to the owners of the Company for the half-year ended 30 September 2016 and as at that date, the Group's liabilities exceeded their assets by $51,080,795.

The Group's ability to continue as a going concern will be dependent on continued reliance on the ongoing financial support from the majority shareholder of the Company, LionGold Corp Ltd ('LionGold'). Note 1 to the half-year financial report discloses the measures undertaken by LionGold Corp Ltd to maintain its funding arrangements to continue as a going concern themselves and thus support the Company.

It is critical to note that LionGold Corp Ltd's auditor has issued a qualified opinion as disclosed in LionGold Corp Ltd's annual report for the year ended 31 March 2017, published on the Singapore Exchange Securities Trading Limited (SGX-ST) on 5 July 2017. The qualified opinion of LionGold drew attention to a material uncertainty related to LionGold's ability to continue as a going concern.

As a result of these matters, we have been unable to obtain sufficient appropriate evidence to support management's assessment of the Company's ability to continue as a going concern for the 12 months from the date of this auditor's review report and preparation of the half-year financial report on a going concern basis is appropriate.

2. Owere Mines Limited

The management accounts of Owere Mines have been used as part of the preparation of the consolidated financial statements of the Group, with it being important to note that such accounts have not been subject to an auditor review. The Company has no access to the books and records associated with the Owere Mines Limited entity.

The financial statements for the group include a net loss on disposal of OML within the consolidated statement of profit and loss, amounting to $32,470,482 for the period ending 30 September 2016.

We were unable to perform audit procedures to obtain sufficient appropriate evidence with respect to the amounts included as part of the consolidated financial statements of the Group relating to Owere Mines Limited. Consequently, we were unable to determine whether any adjustments might be necessary for the consolidated financial statements of the Group for the year ended 30 September 2016.

Disclaimer of Conclusion

Due to the significance of the matters described in the Basis for Disclaimer of Conclusion paragraphs, we have been unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying financial statements. Accordingly, we do not express a conclusion on the half-year financial statements.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, WA
18 July 2017