SIGNATURE
METALS LIMITED

ABN 86 106 293 190

Half-year Financial Report
30 September 2017

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 2017 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 2017.

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
Roland Kenneth Selvanayagam	Non-Executive Director
Denis Edmund Clarke	Non-Executive Director
Catherine Officer	Company Secretary

REVIEW OF OPERATIONS

NATURE OF OPERATIONS

Further to the Company's dilution of interest in Owere Mines Limited ("OML") from 70.0% to 0.01%, the Group does not carry out any operating activities.

EXPLORATION

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

SEPARATION AGREEMENT

The Company had 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 took 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 was deconsolidated from the Group with effect from 23 May 2016.

On 5 December 2017, the Company announced that OML rights issue has been completed. OML has therefore ceased to be a subsidiary of the Company.

FINANCIAL POSITION AND RESULTS

Further to the Separation Agreement entered on 23 May 2016, OML was deconsolidated from the Group. As a result, the Company now has no material assets.

There is an outstanding loan of $48,191,620 as at the end of the reporting period. This relates to the unsecured loan facility of US$50 million with LionGold Corp Ltd ("LionGold"). Working capital funds were drawn down under this facility during the course of the reporting period to fund day to day operations of the Company.

There were no exploration activities during the period under review.

A loss on disposal of subsidiary of $32,470,483 was recognised as part of loss from discontinuing operations for the half year period ended 30 September 2016. There was no such item in the current period.

There was a foreign exchange gain of $1,034,772 in the current period as a result of a depreciation of the United States Dollar against the Australian Dollar.

The profit after tax for the half year ended 30 September 2017 was $837,498 (30 September 2016 loss of $31,687,820).

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 2017.

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

Soo Khoon Raymond Tan
Non-Executive Chairman

19 January 2018

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 2017, 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, WA
19 January 2018

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Consolidated Statement of Comprehensive Income
As at 30 September 2017

	Note	6 months ended 30 September 2017 $	6 months ended 30 September 2016 $
Interest income		-	1
Directors and employees benefits		(25,000)	(25,000)
Administrative expenses		(71,105)	(110,482)
Depreciation		(1,157)	(1,157)
Finance expense		(100,012)	(260,262)
Expenses for minority interest in loans to Owere Mines Ltd		-	-
Foreign exchange gain/(loss)		1,034,772	1,179,562
Profit/(Loss) from continuing operations before income tax		**837,498**	**782,662**
Income tax expense		-	
Profit/(Loss) from continuing operations for the half-year		**837,498**	**782,662**
Loss from discontinuing operations	7	-	(32,470,482)
Total loss for the reporting period		**837,498**	**(31,687,820)**
Other Comprehensive income/(loss) that has or may be reclassified to profit and loss:			
Foreign currency translation:			
- arising from consolidation		(61)	(580,309)
- arising from disposal of OML		-	9,635,289
Other comprehensive income/(loss) for the reporting period		**(61)**	**9,054,980**
Total comprehensive loss for the half-year		**837,437**	**(22,632,840)**
Profit/(Loss) for the half-year is attributable to:			
Owners of Signature Metals Limited:			
Profit / (loss) from continuing operations		837,498	(31,950,996)
Profit / (loss) from discontinuing operations		-	782,662
		837,498	(31,168,334)
Non-controlling interest:			
Loss from discontinuing operations		-	(519,486)
		-	(519,486)
		837,498	**(31,687,820)**
Total comprehensive income/(loss) for the half-year is attributable to:			
Owners of Signature Metals Limited:			
Total comprehensive income from continuing operations		837,437	202,353
Total comprehensive loss from discontinuing operations		-	(21,151,521)
		837,437	(20,949,168)
Non-controlling interest:			
Total comprehensive loss from discontinuing operations		-	(1,683,672)
		-	(1,683,672)
		837,437	**(22,632,840)**

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 2017

	Note	30 September 2017 $	31 March 2017 $
Assets			
Current Assets			
Cash and cash equivalents		4,298	3,388
Trade and other receivables		8,298	1,914
Total Current Assets		**12,596**	**5,302**
Non-Current Assets			
Property, plant and equipment	5	11,208	12,365
Total Non-Current Assets		**11,208**	**12,365**
Total Assets		**23,804**	**17,667**
Current Liabilities			
Trade and other payables		166,208	182,353
Unsecured loan facility	6	48,191,621	49,106,789
Total Current Liabilities		**48,357,829**	**49,289,142**
Non-Current Liabilities			
Unsecured loan facility		-	-
Provision on deferred consideration	6	2,149,052	2,049,040
Total Non-Current Liabilities		**2,149,052**	**2,049,040**
Total Liabilities		**50,506,881**	**51,338,182**
Net Assets/(Liabilities)		**(50,483,077)**	**(51,320,515)**
Equity			
Equity attributable to equity holders of the parent			
Issued capital	4	60,195,661	60,195,661
Reserves		563,306	563,366
Accumulated losses		(111,242,04)	(112,079,542)
Parent equity		**(50,483,07)**	**(51,320,515)**
Non-controlling interest		-	-
Total Equity		**(50,483,07)**	**(51,320,515)**

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 2017

	Issued capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Contingent Consideration Reserve $	Owners of the Parent $	Non-controlling Interest $	Total $
Balance at 1 April 2017	**60,195,661**	**(112,079,542)**	**48,963**	**514,404**	**(51,320,515)**	-	**(51,320,515)**
Loss for the half-year	-	837,498	-	-	837,498	-	837,498
Other comprehensive income	-	-	(61)	-	(61)	-	(61)
Total comprehensive income for the half-year	-	**837,498**	**(61)**	-	**837,437**	-	**837,437**
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Balance at 30 September 2017	**60,195,661**	**(111,242,04)**	**48,902**	**514,404**	**(50,483,07)**	-	**(50,483,07)**
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)**

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 2017

	6 months ended September 2017 $	6 months ended September 2016 $
Cash flows from operating activities		
Payments to suppliers and employees	(118,584)	(7,656)
Interest received	-	1
Net cash flows used in operating activities	**(118,584)**	**(7,655)**
Cash flows from investing activities		
Expenditure on exploration, evaluation and development	-	-
Net cash used in investing activities	**-**	**-**
Cash flows from financing activities		
Proceeds from borrowings and advances	119,494	6,271
Net cash from financing activities	**119,494**	**6,271**
Net (decrease)/increase in cash and cash equivalents	**910**	**(1,384)**
Cash and cash equivalents at beginning of reporting period	3,388	4,904
Net foreign exchange variances on cash	-	-
Cash and cash equivalents at the end of the period	**4,298**	**3,520**

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 2017

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 2017 was authorised for issue in accordance with a resolution of the directors on 18 January 2018.

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 2017 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 2017 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. 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.

Changes in accounting policies and disclosures

In the reporting period ended 30 September 2017, 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 2017:

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2017

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 2017

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 2017, the consolidated entity incurred net profit of $837,498 (2016: net loss of $31,687,820), of which $837,498 (2016: net loss of $31,168,334) was attributable to the owners of Signature Metals. Total comprehensive income for the half year attributable to the owners of Signature Metals was $837,437 (2016: total comprehensive loss of $20,949,168).

At 30 September 2017, the consolidated entity had net liabilities of $50,483,077 (31 March 2017: $51,320,515) The cash position of the Group at 30 September 2017 was $4,298 (31 March 2017: $3,388).

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.

On 5 December 2017, the Company announced that OML rights issue has been completed. OML has therefore ceased to be a subsidiary of the Company.

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.

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.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2017

Going concern (continued)

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. This is understood to have a direct bearing on the Group's going concern assumption as well despite the facts outlined above.

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2017

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 2017 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) 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.

(b) Income Taxes

The Group is subject to income tax in Australia. 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.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2017

NOTE 4: ISSUED CAPITAL

	Consolidated	
	30 September 2017 $	31 March 2017 $
Ordinary shares		
Issued and fully paid	60,195,661	60,195,661

	30 September 2017		31 March 2017	
	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**

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	6 months to 30 Sep 2017 $	31 Mar 2017 $
Carrying amount at the beginning of period	12,365	14,678
Foreign exchange difference	-	-
Depreciation charge for the reporting period	(1,157)	(2,313)
Transfer to disposal group classified as assets held for sale	-	-
Carrying amount at the end of period	11,208	12,365

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2017

NOTE 6: LIABILITIES

	Consolidated	
	30 Sept 2017 $	**31 Mar 2017 $**
Unsecured loan facility (i)	48,191,621	49,106,789
Trade and other payables	166,208	182,353
Financial liability arising under asset purchase agreement (ii)	2,149,052	2,049,040
Total Liabilities	50,506,881	51,338,182

(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 2017, the Group had drawn down US$37.6 million (31 March 2017: US$37.6 million).

(ii) Financial Liability

The Group recognised deferred consideration on the option agreement to purchase 70% of the Konongo 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 which is deemed to approximate its fair value.

NOTE 7: 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 deconsolidated from the Group with effect from 23 May 2017.

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.

Notes to the Consolidated Financial Statements

for the half-year ended 30 September 2017

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 2017	31 Mar 2017
	$	$
Directors and employees benefits	-	(171,665)
Administrative expenses	-	(388,780)
Depreciation	-	(88,764)
Other payables written off	-	3,129,114
Finance cost for rehabilitation	-	-
Foreign exchange loss	-	(1,082,412)
Loss on disposal of subsidiary	-	(33,867,975)
Loss from before income tax	**-**	**(32,470,483)**
Income tax expense	-	-
Loss from after income tax	**-**	**(32,470,483)**
Other Comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation		
- arising from disposal of a subsidiary	-	9,668,332
Other comprehensive loss for the reporting period	**-**	**(22,802,151)**

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

	Consolidated	
	30 Sep 2017	31 Mar 2017
	$	$
Operating cash flows	-	-
Investing cash flows	-	-
Financing cash flows	-	-
Net cash out flows	**-**	**-**

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2017

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

	Consolidated	
	30 Sep 2017	31 Mar 2017
	$	$
Property, plant and equipment	-	-
Other non-current assets	-	-
Security deposit	-	-
Exploration and evaluation expenditure	-	-
Trade and other receivables	-	-
Cash and cash equivalents	-	-
	-	-

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

Trade and other payables	-	-
Rehabilitation and preservation provision	-	-
	-	-

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

	Consolidated	
	30 Sep 2017	31 Mar 2017
	$	$
Currency translation differences	-	-

NOTE 8: COMMITTMENTS

There are no known commitments at the date of this report.

NOTE 9: DIVIDENDS

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

NOTE 10: CONTINGENT LIABILITIES

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

Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2017

NOTE 11: 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 18, 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 2017 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

19 January 2018

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Signature Metals Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 September 2017, the consolidated statement of 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.

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 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 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. 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2017 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 and its controlled entities, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Signature Metals Limited and its controlled entities, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis for Qualified Conclusion

We audited the financial statements of the Company for the financial year ended 31 March 2017, and in our audit report dated 29 August 2017 expressed a disclaimer of opinion on that financial report. We were unable to satisfy ourselves by alternative means concerning the balances as at 31 March 2017. Since opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the half-year reported in the statement of comprehensive income and the net cash flows reported in the statement of cash flows.

Our conclusion on the current half-year's financial report is therefore modified because of the possible effects of the above matter on the comparability of the current half-year's figures and the comparative information.

We believe that the review evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on our review, which is not an audit, with the exception of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that makes us believe that the half-year financial report of Signature Metals Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2017 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Group had net liabilities of $50,483,077 for the half-year ended 30 September 2017 and, as of that date, the Group's cash position was $4,298. As stated in Note 1, the Company is dependent upon the ongoing support of its parent company, LionGold Corp Ltd. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, WA
19 January 2018