



ABN 86 106 293 190

Half-year Financial Report
31 December 2009

CORPORATE DIRECTORY

Directors

Mr Matthew Wood (Chairman)

Mr Timothy Flavel (Executive Director)

Mr Bill Oliver (Executive Director)

Mr Stuart Murray (Non Executive Director)

Company Secretary

Mr Scott Funston

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Ernst & Young

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Stock Exchange

Australian Stock Exchange

(Home Exchange: Perth, Western Australia)

ASX Code: SBL

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DIRECTORS' REPORT

The directors of Signature Metals Limited submit the financial report of the consolidated entity for the half-year ended 31 December 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

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

Results

The loss after tax for the half year ended 31 December 2009 was \$570,355 (31 December 2008 loss of \$678,639).

Review of Operations

The Company's operations have focussed on developing the Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana. The Konongo Gold Project comprises 192 km² of granted tenure and contains 16 known gold deposits along 12 kilometres of strike (see Figure 1). Significant infrastructure remains on site including a 350ktpa CIL plant.

During the period the company completed the acquisition of the Konongo Gold Project by issuing 50 million shares to Mwana Africa PLC.

The Company released an updated resource statement for the project in February 2010 based on work done for the Company by independent consultants. The **total resource** for the project is now **19.6 million tonnes** at a **grade of 2.02g/t gold** for **1.27 million ounces of contained gold** and is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	8,804,500	2.01	568,235
Inferred	10,814,000	2.03	704,395
Total	19,618,500	2.02	1,272,630

Drilling

During the period the Company commenced a substantial drilling programme at the Konongo Gold Project. The Company secured Ausdrill Limited's (ASX:ASL) wholly owned subsidiary African Mining Services (AMS) to carry out its programmes. Diamond drilling commenced in September 2009, with aircore drilling also carried out during the last quarter of 2009. RC drilling commenced in January 2010.

Diamond Drilling

Diamond drilling has been focussed on extensions to mineralisation at the Obenemase deposit (Figure 2). Historical mining at Obenemase (open pit and underground) produced 102,700 ounces of gold from 1 million tonnes of ore at a recovered grade of 8.17g/t gold.

To date 11 diamond holes have been drilled for 3672 metres. Results released during the period are attached as Table 1 and include:

- **14 metres at 5.44g/t gold from 129 metres (09KGDR001)**
 - **including 5 metres at 9.39g/t gold from 129 metres**
 - **including 4 metres of stope material from 134 metres**
- **10 metres at 5.70g/t gold from 173 metres (09KGDR003)**
 - **including 4 metres at 10.4g/t gold from 174 metres**
- **4 metres at 10.5g/t gold from 127 metres (09KGDR003)**
- **3 metres at 10.4g/t gold from 159 metres (09KGDR001)**
- **1 metre at 438 g/t gold from 147 metres (09KGDR007)**
- **2 metres at 13.5 g/t gold from 165 metres (09KGDR007)**
- **16 metres at 9.76g/t gold from 170 metres (09KGDR007)**
 - **including 6 metres at 12.3g/t gold from 170 metres**
 - **including 8 metres at 10.3g/t gold from 178 metres**
- **5 metres at 7.25g/t gold from 200 metres**
 - **including 2 metres at 12.8g/t gold from 203 metres**
- **15 metres at 9.12g/t gold from 46 metres (09KGDR009)**
- **3 metres at 7.98g/t gold from 207 metres (09KGDR009)**

The results from drill hole 09KGDR001 provide confirmation that high grade gold shoots continue below the previously mined Obenemase pit. Previous results surrounding 09KGDR001 include **32 metres at 8.62g/t gold, 5 metres at 48g/t gold, 11 metres at 7.56g/t gold and 7.9 metres at 7.53g/t gold.**

The intersection of **10 metres at 5.70g/t gold** in drill hole 09KGDR003 is 40 metres up dip of an historical intersection of **10 metres at 11.6g/t gold** in drill hole OBAD113 (Figure 5). This result demonstrates the continuity of the high grade shoot.

Drill hole 09KGDR006 was drilled to test the down dip extensions to mineralisation intersected in 09KGDR003 and historical hole OBAD113. The mineralised zone observed in the hole did not have the same tenor as previous intersection (4 metres at 1.46g/t and 4 metres at 1.76g/t) indicating the high grade shoot within the system is orientated down-plunge instead of down dip. This hole deviated substantially (moving almost 20 metres off section) and looks not to have adequately tested the target.

Drill holes 09KGDR007 and 09KGDR008 were drilled to test for strike extensions to mineralisation intersected in 09KGDR003. 09KGDR007 was drilled 20 metres to the north of 09KGDR003 and returned results of **1 metre at 438 g/t gold from 147 metres** and **16 metres at 9.76g/t gold from 170 metres.**

Drill hole 09KGDR008 was drilled 20 metres to the south of 09KGDR003 and returned an intersection of 10 metres at 1.85g/t from 267 metres as well as 1 metre at 8.18g/t from 343 metres. The larger intersection in this hole is geologically similar to the mineralisation seen in 09KGDR003 and provides key data on the orientation of the high grade shoot.

Results received from the core portion of 09KGDR009, and increased the shallow intersection previously reported from the precollar to 15 metres at 9.12g/t gold from 46 metres (including 5 metres at 12.3 g/t gold from 47 metres and 5 metres at 10.5g/t from 55 metres). 09KGDR009 was planned to target extensions to OBAD84 which intersected **5 metres at 12.8g/t** from 216 metres and returned an intersection of **3 metres at 7.98g/t** from 207 metres.

RC Drilling

RC drilling commenced at the Obenemase Deposit in January 2010 targeting extensions to the shallow mineralisation intersected in 09KGDR009 that assayed 15 metres at 9.12g/t from 46 metres. This mineralisation is interpreted to be a high grade shoot within the Obenemase “D” lode, which runs to the west of the main Obenemase Deposit (see Figure 3). No mining has been carried out on the D Lode.

Importantly mineralisation is hosted within oxide/transitional material which can be treated at the CIL plant currently onsite. Drillhole 09KGDR009 is less than 1 kilometre from the plant (see Figure 3) and therefore could potentially provide high-grade feed ore during the initial production phase.

The result in 09KGDR009 result extends D lode mineralisation 40 metres to the north. Significantly it is 140 metres north of intersections of **6m at 6.3g/t gold** and **15 metres at 15.6g/t gold** returned in historical RC drilling.

Drillholes are also planned to follow up shallow high grade intersections in historical drilling of the “D” Lode including:

- OBAD111B – 15m at 6.54g/t gold from 51 metres
- OBAR7 – 6m at 8.73g/t gold from 29 metres
- OBAR94 – 6m at 6.08g/t gold from 15 metres
- OBRC013 – 8m at 3.79g/t from 97 metres
- OBRD009 – 8m at 6.05g/t gold from 107 metres

To date 22 drill holes have been completed for 2,242 metres. Results are pending.

Aircore Drilling

Aircore drilling was carried out on the Old Konongo Tailings Dam during the December quarter. 131 aircore holes were drilled at a spacing of 50 metres by 25 metres for a total of 2,376 metres (Figure 3). Included in this was an area drilled on a 25 metre by 25 metre spacing following receipt of high grade assays. Results are attached as Table 2 and include intersections of:

- **12 metres at 2.24 g/t gold from surface (KGAC003)**
- **20 metres at 1.76 g/t gold from surface (KGAC004)**
 - **including 8 metres at 2.80g/t from 12 metres**
- **16 metres at 2.00 g/t gold from surface (KGAC008)**
- **12 metres at 1.61 g/t gold from surface (KGAC009)**
- **12 metres at 1.86 g/t gold from surface (KGAC047)**
- **12 metres at 1.96 g/t gold from surface (KGAC048)**
 - **including 8 metres at 2.58g/t from 4 metres**
- **16 metres at 2.06 g/t gold from surface (KGAC052)**
 - **including 8 metres at 3.12g/t from 8 metres**

- 16 metres at 1.75g/t gold from surface (KGAC056)
- 16 metres at 1.69 g/t gold from surface (KGAC057)
 - including 4 metres at 3.09g/t from 8 metres
- 16 metres at 1.66 g/t gold from surface (KGAC059)
- 12 metres at 1.85 g/t gold from surface (KGAC063)
- 16 metres at 2.12 g/t gold from surface (KGAC064)
- 16 metres at 2.14 g/t gold from surface (KGAC065)
- 16 metres at 1.76 g/t gold from surface (KGAC066)
- 16 metres at 1.62 g/t gold from surface (KGAC086)
- 12 metres at 1.70 g/t gold from surface (KGAC098)

The Old Konongo Tailings Dam contains residual waste material from processing at the historical Konongo Mine, which was operational between 1918 and 1986. Records show that approximately 2.8 million tonnes of ore was processed at a head grade of 15.7g/t recovering approximately 1.4 million ounces. Interestingly drilling seems to have identified two distinct high grade areas within the dam where intersections were consistently greater than 1.5g/t gold (Figure 3).

Results have been received from four metre composite samples taken from holes drilled through the entire thickness of the dam. Selected intersections will be re-sampled at one metre intervals to demonstrate grade consistency for calculation of a JORC-compliant resource. Results from infill holes indicate that there is good continuity.

Preliminary metallurgical testwork indicates that recoveries of over 60% are achievable from this material, with recoveries as high as 80% being recorded. Further work will be carried out this month. This will involve better simulating the metallurgical flow sheet for the existing CIL plant re-treating the tailings material as well as testing different methods to potentially increase recoveries.

A JORC-compliant resource of 1.75 million tonnes at a grade of 1.09g/t gold for approximately 61,150 ounces of contained gold has just been finalized for the tailings dam and is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	1,177,000	1.19	45,050
Inferred	575,000	0.87	16,100
Total	1,752,000	1.09	61,150

Significantly this resource includes a high grade area of **448,500 tonnes at 1.66g/t** for almost **24,000 ounces of contained gold**. This is likely to provide sufficient material to run the CIL plant for the first year of operation. The resource in the high grade area is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	390,500	1.66	20,850
Inferred	58,000	1.68	3,100
Total	448,500	1.66	23,950

Resource / Mining Studies

The Company released an updated resource statement for the project during February which contains the results of the estimation work to date. The **total resource** for the project is now **19.6 million tonnes** at a **grade of 2.02g/t gold** for **1.27 million ounces of contained gold** and is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	8,804,500	2.01	568,235
Inferred	10,814,000	2.03	704,395
Total	19,618,500	2.02	1,272,630

The mining study into the viability of re-commencing mining and processing at the Konongo Gold Project based on the known gold deposits within the project area and current spot gold prices is nearing completion. Resources contained within each deposit are detailed in Table 3. The Company's consulting resource geologist and engineer were on site during January to progress this work which will be submitted to the Minerals Commission of Ghana. The study will also be used to support the Company's application for an extension to its mining license at Konongo. It is anticipated that the results of the study will be released this quarter.

During the quarter the Company appointed Tagit Consulting to carry out the environmental studies required for the recommencement of mining and processing at the Konongo Gold Project. Tagit Consulting is a Ghanaian based environmental consultancy which has completed environmental impact assessments for several gold mining projects within Ghana and most recently completed the EIS for Perseus Mining's Ayanfuri Project.

Tagit Consulting has commenced the following tasks:

- Completion of a baseline data collection programme in accordance with Ghanaian regulations and in line with internationally recognized guidelines for data quality, representivity and completeness;
- Identification and assessment of environmental and social impacts associated with the refurbishment and operation of the Konongo Gold Project
- Preparation of an Environmental Impact Statement document to meet Ghanaian Environmental Protection Authority requirements

The EIS documentation is anticipated to be completed in the second half of 2010 at which point Signature will be able to apply to the EPA for an environmental permit to recommence mining and processing.

Plant

During the quarter the Company carried out a detailed evaluation of the current state of the 350ktpa CIL plant which remains on site at the Konongo Gold Project. Quotes for the refurbishment of different items around the plant were received from local engineering companies as well as from reagent suppliers and other suppliers. These quotes are currently being assessed in detail following which a budget and schedule for the refurbishment will be drawn up and submitted to the Board.

Metallurgical testwork was also carried out on drill samples from the Old Konongo Tailings Dam as reported in the 'Drilling' section above. Testwork was also commenced on drill and bulk samples from other areas within the Project and further work will be carried out this quarter.

The Old Konongo Tailings Dam is just one of a number of surface stockpiles/dumps which the company is evaluating to determine if they can provide initial millfeed for the existing CIL plant. The likely cost of reclaiming these stockpiles is anticipated to be lower than mining new ore making them potentially highly viable sources of feed. Sampling and surveying of these stockpiles is underway to better quantify the grades and tonnages available.

Community

During the quarter the Company stepped up its efforts to assist the local communities in the Ashante Akyem North municipality, which contains the Konongo Gold Project. Small-scale projects appropriate to the Company's level of funding and activities, such as repairing local roads and water pumps, were completed. Over the next few months the Company will contribute materials and funds to larger scale projects, such as assisting repair and renovation of local police stations and schools, to match and support funds raised by the community themselves from government and other local businesses. These donations will be scheduled in a way that the Company's business is not compromised, however recognising and addressing the social responsibility of its operations is an essential part of the Company operating in Ghana. Assistance is given in a way that develops skills and aids employment of local youth in an effort to develop and support sustainable communities. The people of Ashante Akyem North are very supportive of the Company's efforts to re-start the Konongo Gold Project with youth unemployment being a major concern for the region.

Figure 1. Deposits contained within the Konongo Project
Also shows plant location and initial development area.

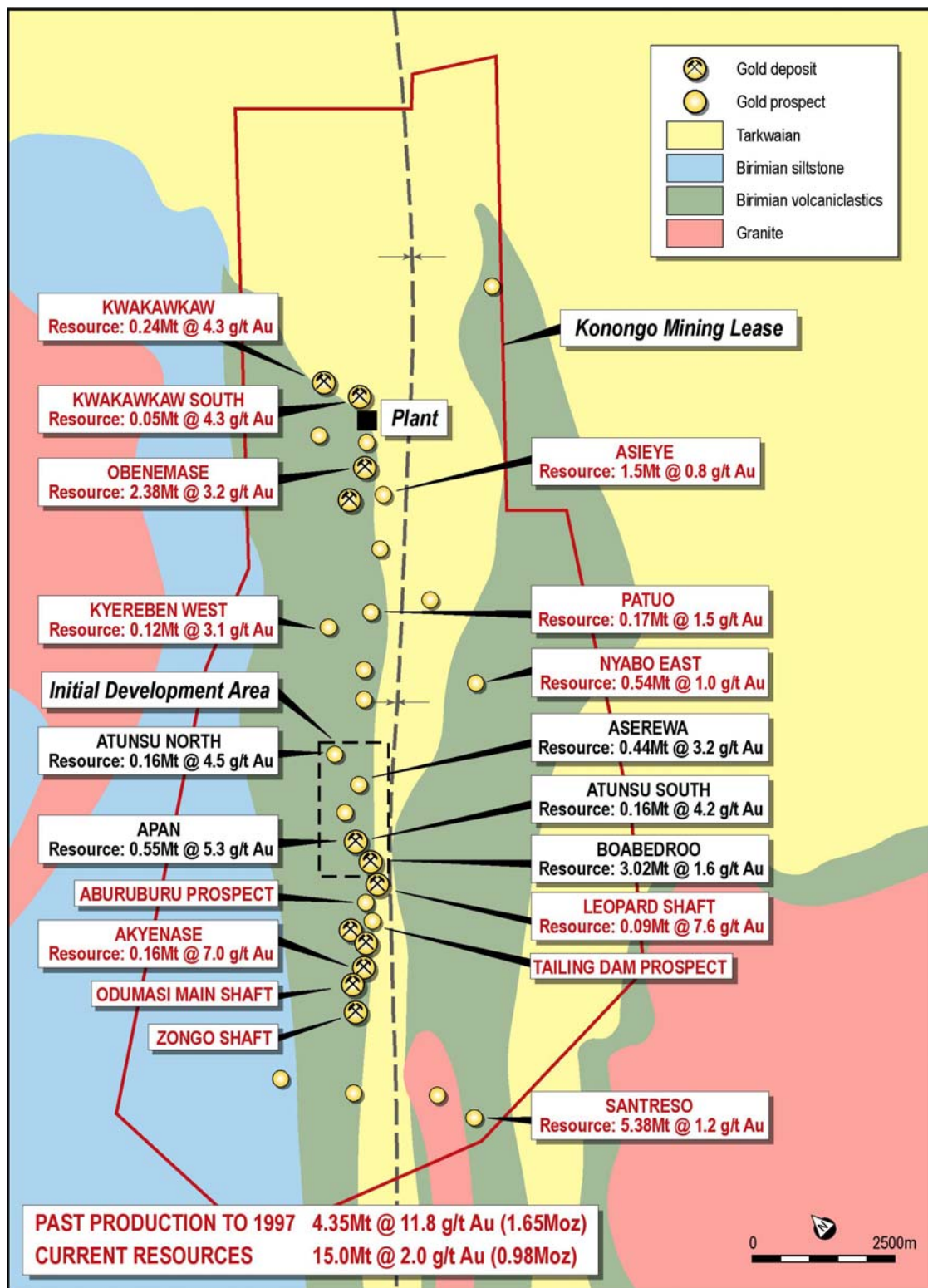


Figure 2. Obenemase area showing results to date and infrastructure.

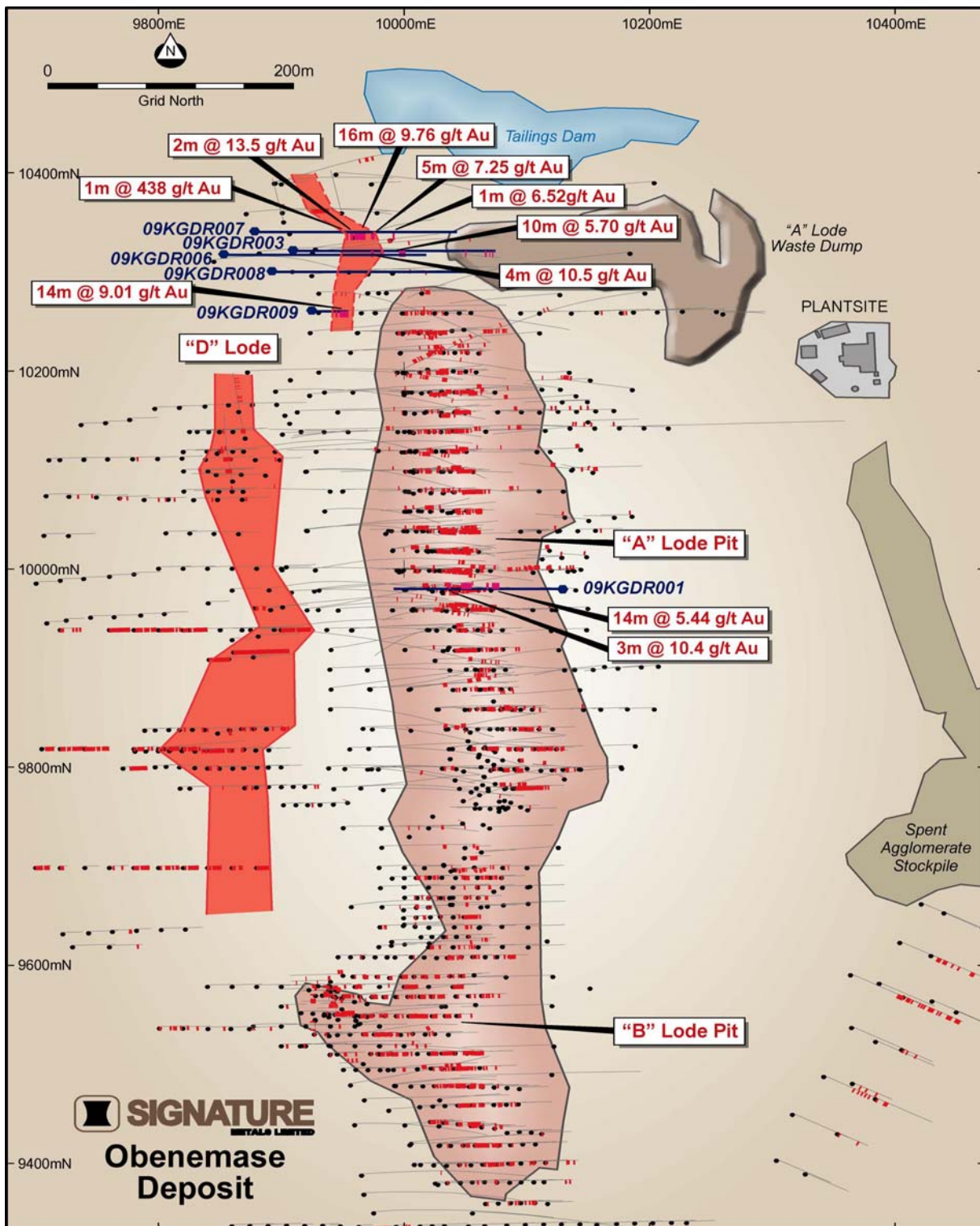


Figure 3. Plan showing results from Aircore drilling at the Konongo tailings dam

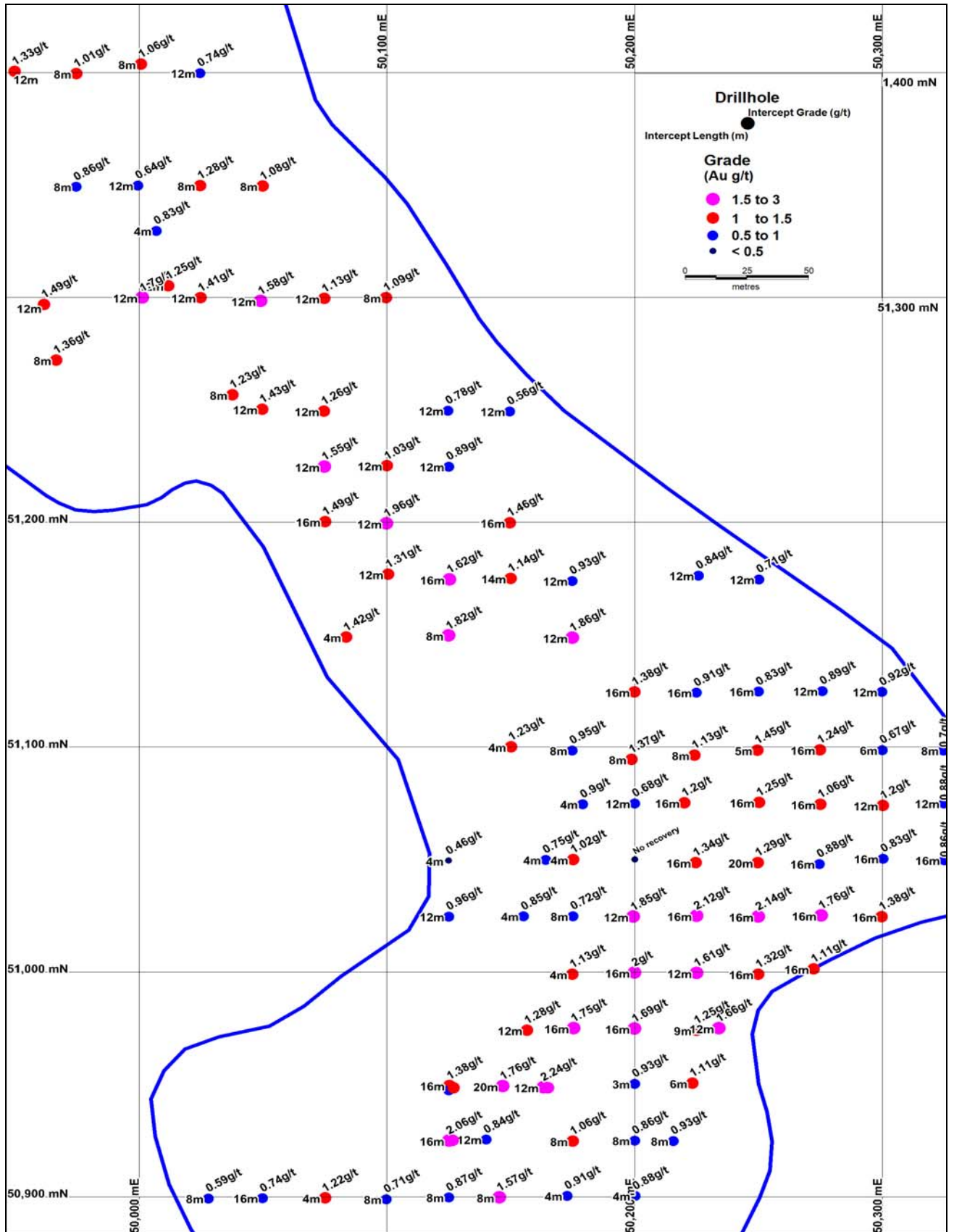


Table 1. Significant Intersections from diamond drilling at the Konongo Gold Project

All intersections > 1m with grade > 1g/t (including up to 2 metres internal waste if present)

Hole Id	Project Grid		Total Depth	Dip/ Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
09KGDR001	10129	9979	240	-55 / 305	100	101	1	1.22
					105	108	3	2.86
					129	143	14	5.44
				<i>including</i>	129	134	5	9.39
				<i>including</i>	134	148	<i>stope material</i>	
					159	162	3	10.4
09KGDR002	9896	10410	240	-60 / 120	32	240	Results pending	
09KGDR003	9910	10321	330	-60 / 125	127	131	4	10.5
					143	144	1	1,04
					173	183	10	5.70
				<i>including</i>	174	178	4	10.4
					281	282	1	5.41
					313	315	2	6.56
					320	321	1	8.21
					325	326	1	4.42
09KGDR005	9826	10410	32*	-60 / 125	24	28	4	3.32
<i>(*pre-collar depth, hole in progress)</i>								
09KGDR006	9850	10320	401	-60 / 125	43	45	2	1,35
					69	71	2	1.28
					221	223	2	2.45
					242	246	4	1.46
					278	282	4	1.76
					304	305	1	1.12
					309	310	1	3.17
					324	326	2	2.75
09KGDR007	9876	10341	285	-60 / 125	147	148	1	438
					165	167	2	13.5
					170	186	16	9.76
				<i>including</i>	170	176	6	12.3
				<i>including</i>	178	186	8	10.3
					200	205	5	7.25
				<i>including</i>	203	205	2	12.8
					236	237	1	6.52
					284	285*	1	1.81
								(EOH)
09KGDR008	9896	10300	357	-60 / 125	267	277	10	1.85
					343	345	2	4.63
				<i>including</i>	343	344	1	8.18
09KGDR009	9925	10260	280	-60 / 125	39	42	3	2.43
					46	61	15	9.12
				<i>including</i>	47	52	5	12.3
				<i>including</i>	55	60	5	10.5
					107	108	1	1.12
					166	172	6	1.18
					175	176	1	1.22
					179	180	1	1.15
					207	210	3	7.98
				<i>including</i>	209	210	1	22.2
					216	218	2	1.06
					225	226	1	1.40
					229	230	1	1.75
					244	247	3	1.21

Table 2. Results from Old Konongo Tails Dam drilling

All results from 4 metre composite samples collected by spear sampling. Holes were drilled through the entire thickness of the tailings dam into clay using aircore blade.

Hole Id	Project Grid		Total Depth	Dip/ Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC001	50223	50951	30	-60 / 125	0	6	6	1.11
KGAC002	50200	50951	50	-60 / 125	0	5	No recovery	
					5	8	3	0.93
KGAC003	50163	50949	32	-60 / 125	0	12	12	2.24
KGAC004	50147	50949	36	-60 / 125	0	20	20	1.76
KGAC005	50125	50950	36	-60 / 125	0	16	16	1.38
KGAC006	50125	51050	39	-60 / 125	0	4	4	0.46
KGAC007	50175	50999	30	-60 / 125	0	4	4	1.13
KGAC008	50200	51000	41	-60 / 125	0	16	16	2.00
KGAC009	50225	51000	37	-60 / 125	0	12	12	1.61
KGAC010	50250	50999	43	-60 / 125	0	16	16	1.32
KGAC011	50272	51002	31	-60 / 125	0	16	16	1.11
KGAC012	50325	51050	55	-60 / 125	0	16	16	0.86
KGAC013	50344	51051	41	-60 / 125	0	16	16	0.62
KGAC014	50300	51051	50	-60 / 125	0	16	16	0.83
KGAC015	50275	51048	47	-60 / 125	0	16	16	0.88
KGAC016	50250	51049	23	-60 / 125	0	20	20	1.29
KGAC017	50225	51049	29	-60 / 125	0	16	16	1.34
KGAC018	50200	51050	20	-60 / 125	0	8	No recovery	
KGAC019	50175	51050	17	-60 / 125	0	4	4	1.02
KGAC020	50164	51050	17	-60 / 125	0	4	4	0.75
KGAC021	50150	51100	17	-60 / 125	0	4	4	1.23
KGAC022	50175	51099	17	-60 / 125	0	8	8	0.95
KGAC023	50199	51095	5	-60 / 125	0	8	8	1.37
KGAC024	50224	51097	8	-60 / 125	0	8	8	1.13
KGAC025	50250	51099	20	-60 / 125	0	5	5	1.45
KGAC026	50083	51149	29	-60 / 125	0	4	4	1.42
KGAC027	49966	51272	41	-60 / 125	0	8	8	1.36
KGAC028	49962	51297	23	-60 / 125	0	12	12	1.49
KGAC029	50007	51330	20	-60 / 125	0	4	4	0.83
KGAC030	50012	51305	20	-60 / 125	0	12	12	1.25
KGAC031	50179	50820	29	-60 / 125	0	4	4	0.39
KGAC032	50203	50761	29	-60 / 125	0	4	4	0.45
KGAC033	50200	50901	29	-60 / 125	0	4	4	0.88
KGAC034	50173	50901	29	-60 / 125	0	4	4	0.91
KGAC035	50145	50900	29	-60 / 125	0	8	8	1.57
KGAC036	50125	50900	29	-60 / 125	0	8	8	0.87
KGAC037	50100	50899	23	-60 / 125	0	8	8	0.71
KGAC038	50075	50900	23	-60 / 125	0	4	4	1.22
KGAC039	50050	50900	10	-60 / 125	0	16	16	0.74
KGAC040	50028	50900	14	-60 / 125	0	8	8	0.59
KGAC041	50050	50868	17	-60 / 125	0	4	4	0.77
KGAC042	50075	50870	17	-60 / 125	0	4	4	0.52

Hole Id	Project Grid		Total Depth	Dip/ Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC043	50095	50870	17	-60 / 125	0	4	4	0.42
KGAC044	50275	51099	29	-60 / 125	0	16	16	1.24
KGAC045	50300	51099	20	-60 / 125	0	6	No recovery	
					6	12	6	0.67
KGAC046	50325	51099	17	-60 / 125	0	8	8	0.70
KGAC047	50175	51149	20	-60 / 125	0	12	12	1.86
KGAC048	50100	51200	20	-60 / 125	0	12	12	1.96
KGAC049	50200	50925	25	-60 / 125	0	8	8	0.86
KGAC050	50175	50925	20	-60 / 125	0	8	8	1.06
KGAC051	50140	50926	23	-60 / 125	0	12	12	0.84
KGAC052	50125	50925	20	-60 / 125	0	16	16	2.06
KGAC053	50125	50948	20	-60 / 125	0	8	8	0.83
KGAC054	50125	51025	14	-60 / 125	0	12	12	0.96
KGAC055	50156	50974	20	-60 / 125	0	12	12	1.28
KGAC056	50175	50975	17	-60 / 125	0	16	16	1.75
KGAC057	50200	50975	25	-60 / 125	0	16	16	1.69
KGAC058	50225	50974	9	-60 / 125	0	9	9	1.25
KGAC059	50234	50975	20	-60 / 125	0	12	12	1.66
KGAC060	50216	50925	17	-60 / 125	0	8	8	0.93
KGAC061	50155	51025	11	-60 / 125	0	4	4	0.85
KGAC062	50175	51025	11	-60 / 125	0	8	8	0.72
KGAC063	50199	51025	17	-60 / 125	0	12	12	1.85
KGAC064	50225	51025	20	-60 / 125	0	16	16	2.12
KGAC065	50250	51025	20	-60 / 125	0	16	16	2.14
KGAC066	50275	51025	23	-60 / 125	0	16	16	1.76
KGAC067	50300	51025	23	-60 / 125	0	16	16	1.38
KGAC068	50325	51075	17	-60 / 125	0	12	12	0.88
KGAC069	50300	51074	17	-60 / 125	0	12	12	1.20
KGAC070	50275	51075	23	-60 / 125	0	16	16	1.06
KGAC071	50250	51075	23	-60 / 125	0	16	16	1.25
KGAC072	50220	51075	23	-60 / 125	0	16	16	1.20
KGAC073	50200	51075	20	-60 / 125	0	12	12	0.68
KGAC074	50179	51075	11	-60 / 125	0	4	4	0.90
KGAC075	50200	51125	20	-60 / 125	0	16	16	1.38
KGAC076	50225	51124	23	-60 / 125	0	16	16	0.91
KGAC077	50250	51125	17	-60 / 125	0	16	16	0.83
KGAC078	50276	51125	17	-60 / 125	0	12	12	0.89
KGAC079	50300	51125	14	-60 / 125	0	12	12	0.92
KGAC080	50250	51175	14	-60 / 125	0	12	12	0.71
KGAC081	51100	51175	20	-60 / 125	0	12	12	0.99
KGAC082	50226	51176	17	-60 / 125	0	12	12	0.84
KGAC083	50175	51174	20	-60 / 125	0	12	12	0.93
KGAC084	50150	51175	14	-60 / 125	0	14	14	1.14
KGAC085	50125	51150	14	-60 / 125	0	8	8	1.82
KGAC086	50125	51175	20	-60 / 125	0	16	16	1.62
KGAC087	50150	51200	17	-60 / 125	0	16	16	1.46

Hole Id	Project Grid		Total Depth	Dip/ Azimuth	Intercept			
	Easting	Northing			From	To	Interval	Grade Au g/t
KGAC088	50100	51177	17	-60 / 125	0	12	12	1.31
KGAC089	50075	51200	19	-60 / 125	0	16	16	1.49
KGAC090	50075	51225	23	-60 / 125	0	12	12	1.55
KGAC091	50100	51225	20	-60 / 125	0	12	12	1.03
KGAC092	50125	51225	17	-60 / 125	0	12	12	0.89
KGAC093	50150	51250	14	-60 / 125	0	12	12	0.56
KGAC094	50125	51250	17	-60 / 125	0	12	12	0.78
KGAC095	50075	51249	20	-60 / 125	0	12	12	1.26
KGAC096	50050	51250	17	-60 / 125	0	12	12	1.43
KGAC097	50038	51257	9	-60 / 125	0	8	8	1.23
KGAC098	50001	51300	17	-60 / 125	0	12	12	1.70
KGAC099	50025	51300	17	-60 / 125	0	12	12	1.41
KGAC100	50049	51298	17	-60 / 125	0	12	12	1.58
KGAC101	50075	51300	17	-60 / 125	0	12	12	1.13
KGAC102	50100	51300	14	-60 / 125	0	8	8	1.09
KGAC103	50050	51350	14	-60 / 125	0	8	8	1.08
KGAC104	50024	51350	20	-60 / 125	0	8	8	1.28
KGAC105	50000	51350	17	-60 / 125	0	12	12	0.64
KGAC106	49975	51349	14	-60 / 125	0	8	8	0.86
KGAC107	49950	51401	14	-60 / 125	0	12	12	1.33
KGAC108	49975	51400	17	-60 / 125	0	8	8	1.01
KGAC109	50001	51404	14	-60 / 125	0	8	8	1.06
KGAC110	50025	51400	17	-60 / 125	0	12	12	0.74
KGAC111	50024	51449	14	-60 / 125	0	12	12	0.47
KGAC112	50000	51450	14	-60 / 125	0	8	8	0.97
KGAC113	49975	51449	17	-60 / 125	0	8	8	0.74
KGAC114	49950	51449	11	-60 / 125	0	8	8	0.45
KGAC115	49949	51499	14	-60 / 125	0	8	8	0.78
KGAC116	49975	51499	11	-60 / 125	0	8	8	0.54
KGAC117	50000	51500	11	-60 / 125	0	8	8	0.40
KGAC118	50024	51499	11	-60 / 125	0	8	8	0.40
KGAC119	50000	51550	14	-60 / 125	0	8	8	0.61
KGAC120	49975	51550	17	-60 / 125	0	4	4	0.50
KGAC121	49950	51550	14	-60 / 125	0	8	8	0.54
KGAC122	49925	51550	14	-60 / 125	0	4	4	0.55
KGAC123	49900	51550	11	-60 / 125	0	4	4	0.58
KGAC124	49850	51600	8	-60 / 125	0	4	4	0.45
KGAC125	49875	51600	11	-60 / 125	0	8	8	0.90
KGAC126	49900	51600	14	-60 / 125	0	8	8	1.05
KGAC127	49925	51600	11	-60 / 125	0	8	8	0.60
KGAC128	49950	51600	17	-60 / 125	0	8	8	0.59
KGAC129	44925	51650	14	-60 / 125	0	8	8	0.49
KGAC130	49900	51650	11	-60 / 125	4	11	7	0.41
KGAC131	49875	51650	14	-60 / 125	0	8	8	0.54

Table 3. Resources contained within the Konongo Gold Project

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces
Obenemase				3,267,000	3.08	323,605	1,739,000	2.37	132,695	5,006,000	2.83	456,300
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
Kwakawkaw							344,000	4.31	47,675	344,000	4.31	47,675
Nyabo East							540,000	1.03	17,940	540,000	1.03	17,940
Patuo				128,000	1.43	5,905	445,000	1.44	20,660	573,000	1.44	26,565
Kyereben West							124,000	3.10	12,360	124,000	3.10	12,360
Aserewa				324,000	2.42	25,130	136,000	4.66	20,355	460,000	3.10	45,485
Atunsu				99,000	2.01	6,415	659,500	2.61	55,435	758,500	2.54	61,850
Apan				39,000	2.03	2,565	526,000	2.22	37,620	565,000	2.21	40,185
Leopard Shaft							95,000	7.55	23070	95,000	7.55	23,070
Boabedroo				192,500	2.63	16,295	2,184,500	2.58	180,900	2,377,000	2.58	197,195
Akyenase Central				58,000	4.00	7,460	96,000	8.80	27,160	154,000	6.99	34,620
Santreso West				3,520,000	1.20	135,810	810,000	1.25	32,555	4,330,000	1.21	168,365
Santreso South							340,000	1.16	12,680	340,000	1.16	12,680
Santreso East							700,000	1.27	28,610	700,000	1.27	28,610
Old Tailings Dam				1,177,000	1.19	45,050	575,000	0.87	16,100	1,752,000	1.09	61,150
Total	0	0	0	8,804,500	2.01	568,235	10,814,000	2.03	704,395	19,618,500	2.02	1,272,630

Subsequent Events

On 11 January 2010 the Company announced it had raised \$1.715 million through the exercise of options. Following the receipt of monies the Company issued 114.35 million ordinary shares.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 16 and forms part of this directors' report for the half-year ended 31 December 2009.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.295A of the Corporations Act 2001.



Bill Oliver
Director

Perth, Western Australia
16th March 2010

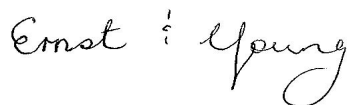
The Mineral Resources presented in this table for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits, and the Old Konongo Tailings Dam, is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy and is the Manager of Data Geo. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion of this table in the report in the form and context in which it appears based on the information presented to him.

The Mineral Resources for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits were derived from solid models of mineralised zones defined by geology and Au grade. Au grade was estimated into block models created from these zones using Inverse Distance². Tonnage was assigned by weathering condition (oxide, transition, fresh) using default SG values generated from historical drill core measurements. The Mineral Resources are classified according to geological continuity, grade continuity and geostatistical parameters relating to sample density. The Mineral Resource is reported below the recorded extents of open cut mining at a 1.0g/t cutoff for fresh rock material and a 0.5g/t cutoff for oxide & transition material. Material recorded as being mined by underground methods has also been removed from the Mineral Resource.

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

Auditor's Independence Declaration to the Directors of Signature Metals Limited

In relation to our review of the financial report of Signature Metals Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



F Drummond
Partner
16 March 2010

Consolidated Statement of Financial Position
for the Half Year Ended 31 December 2009

		Consolidated	
	Note	31 December 2009 \$	30 June 2009 \$
Assets			
Current Assets			
Cash and cash equivalents		2,610,483	785,020
Trade and other receivables		51,800	20,490
Other current assets		5,319	-
Total Current Assets		2,667,602	805,510
Non-Current Assets			
Property, plant and equipment		542,236	-
Exploration and evaluation expenditure		4,618,860	75,329
Total Non-Current Assets		5,161,096	75,329
Total Assets		7,828,698	880,839
Current Liabilities			
Trade and other payables		355,044	67,404
Total Current Liabilities		355,044	67,404
Non-Current Liabilities			
Financial liability	5	422,622	-
Total Non-Current Liabilities		422,622	-
Total Liabilities		777,666	67,404
Net Assets		7,051,032	813,435
Equity			
Equity attributable to equity holders of the parent			
Contributed equity	4	24,445,451	19,250,541
Reserves		2,607,727	1,974,838
Accumulated losses		(20,982,299)	(20,411,944)
Parent equity		6,070,879	813,435
Non-controlling interest		980,153	-
Total Equity		7,051,032	813,435

Consolidated Statement of Comprehensive Income
for the half-year ended 31 December 2009

	Consolidated	
	2009	2008
	\$	\$
Continuing operations		
Interest income	16,347	44,244
Revenue	16,347	44,244
Other revenue	9,188	4,263
Administrative expenses	(118,558)	(101,727)
Public company expenses	(48,242)	(23,279)
Accounting and audit expenses	(21,478)	(13,650)
Consulting fees	(271,819)	(168,829)
Legal fees	(4,281)	(2,977)
Prospecting expenditure	-	(257,119)
Share based payments	(114,801)	(159,323)
Other	(16,711)	(242)
Loss from continuing operations before income tax	(570,355)	(678,639)
Income tax expense	-	-
Loss from continuing operations after income tax	(570,355)	(678,639)
Other Comprehensive Income		
Foreign currency translation difference	3,685	11,674
Other comprehensive income for the half-year	3,685	11,674
Total comprehensive income for the half-year	(566,670)	(666,965)
Loss for the half-year is attributable to:		
Owners of Signature Metals Limited	(570,355)	(678,639)
Non-controlling interest	-	-
	(570,355)	(678,639)
Total comprehensive income for the half-year is attributable to:		
Owners of Signature Metals Limited	(566,670)	(666,965)
Non-controlling interest	-	-
	(566,670)	(666,965)
Loss per share attributable to owners of Signature Metals Limited		
Basic loss per share (cents per share)	(0.10)	(0.16)
Diluted loss per share (cents per share)	(0.10)	(0.16)

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2009

	Issued capital \$	Accumulated Losses \$	Share-Based Payments Reserve \$	Consolidated Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2008	19,210,791	(19,179,238)	1,741,297	550	(5,456)	1,767,944
Total comprehensive income for the half-year						
Loss for the half-year	-	(678,639)	-	-	-	(678,639)
<i>Other comprehensive income</i>						
Foreign currency translation difference	-	-	-	-	11,674	11,674
Total comprehensive income for the half-year	-	(678,639)	-	-	11,674	(666,965)
Transactions with owners in their capacity as owners						
Share based payment	-	-	159,323	-	-	159,323
Balance at 31 December 2008	19,210,791	(19,857,877)	1,900,620	550	6,218	1,260,302

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2009

	Issued capital \$	Accumulated Losses \$	Share- Based Payments Reserve \$	Option Premium Reserve \$	Consolidated Foreign Currency Translation Reserve \$	Contingent Consideration Reserve \$	Owners of the Parent \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2009	19,250,541	(20,411,944)	1,991,223	550	(16,935)	-	813,435	-	813,435
Total comprehensive income for the half-year									
Loss for the half-year	-	(570,355)	-	-	-	-	(570,355)	-	(570,355)
<i>Other comprehensive income</i>									
Foreign currency translation difference	-	-	-	-	3,685	-	3,685	-	3,685
Total comprehensive income for the half-year	-	(570,355)	-	-	3,685	-	566,670	-	566,670
Transactions with owners in their capacity as owners									
Equity issued by placement	3,204,437	-	-	-	-	-	3,204,43	-	3,204,437
Exercise of options	830,250	-	-	-	-	-	830,250	-	830,250
Share based payment	-	-	114,801	-	-	-	114,801	-	114,801
Deferred consideration	-	-	-	-	-	514,403	514,403	-	514,403
Acquisition of subsidiary	1,350,000	-	-	-	-	-	1,350,00	980,153	2,330,153
Costs of issue	(189,777)	-	-	-	-	-	(189,777)	-	(189,777)
Balance at 31 December 2009	24,445,451	(20,982,299)	2,106,024	550	(13,250)	514,403	6,070,879	980,153	7,051,032

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2009

	Note	Consolidated	
		2009 \$	2008 \$
Cash flows from operating activities			
Payments to suppliers and employees		(451,940)	(380,348)
Interest received		16,391	44,244
Net cash flows provided by/(used in) operating activities		(435,549)	(336,104)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(1,613,380)	(242,844)
Cash acquired on acquisition of Owere Mines Limited	5	47,481	-
Net cash provided by/(used in) investing activities		(1,565,899)	(242,844)
Cash flows from financing activities			
Proceeds from issue of shares		4,034,687	-
Payments for share issue costs		(189,777)	-
Net cash provided by/(used in) financing activities		3,844,910	-
Net (decrease) / increase in cash and cash equivalents		1,843,462	(578,948)
Cash and cash equivalents at beginning of period		785,020	1,777,888
Effects of exchange rate fluctuations on cash held		(17,999)	-
Cash and cash equivalents at the end of the period		2,610,483	1,198,940

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**Corporate Information**

The general purpose condensed financial report of Signature Metals Limited (the Company) for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 16th March 2010.

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

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

Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Signature Metals Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amending Accounting Standards and Interpretations

From 1 July 2009 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

AASB 8 and AASB 2007-3	<i>Operating Segments and consequential amendments to other Australian Accounting Standards</i> AASB8 is a disclosure standard requiring disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Consolidated Entity.
AASB 101 (Revised) AASB 2007-8 and AASB 2007-10	<i>Presentation of Financial Statements (revised 2007) and other consequential amendments to other Australian Accounting Standards</i> The revised standard introduces a number of terminology changes, and introduces the statement of comprehensive income. The revised standard has resulted in a number of changes in presentation and disclosure.

Adoption of the new and Accounting Standards and Interpretations had no impact on the financial position or performance of the Company.

The Company has not elected to early adopt any new Standards or Interpretations.

NOTE 3: SEGMENT REPORTING

For management purposes, the Company is organised into one main operating segment, which involves mining 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.

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 December 2009	30 June 2009
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	24,080,201	19,250,541
	<u>24,080,201</u>	<u>19,250,541</u>
	No.	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2009	419,658,210	19,250,541
Issue of shares	320,443,658	3,204,437
Exercise of options	55,350,000	830,250
Acquisition of subsidiary	50,000,000	1,350,000
Costs of issue	-	(189,777)
At 31 December 2009	<u>845,451,868</u>	<u>24,445,451</u>

NOTE 5: INVESTMENT IN SUBSIDIARY

On 3 August 2009, the Company announced it had reached agreement to acquire 70% of Owere Mines Limited. On the 21 December 2009 the Company exercised the option to acquire the interest and issued 50 million shares to Alpina Group Limited as consideration to acquire the interest. Under the terms of the agreement a further payment of 50 million shares or A\$1 million cash will be made once the project achieves 1 million ounces in Measured and Indicated JORC resources (tranche 2). A final payment of A\$3 million in cash or shares will be made following the production of 100,000 ounces of gold from the project (tranche 3).

The acquisition does not constitute a business combination and the cost of acquisition has been allocated to individual identifiable assets and liabilities on the basis of their relevant fair values.

The net assets acquired are as follows:

	\$
Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	47,481
Trade and other receivables	2,099
Other assets	5,319
Property, plant and equipment	542,236
Exploration and evaluation expenditure	1,904,764
Trade and other payables	(214,874)
	<u>2,287,025</u>

\$

Acquisition date fair value of consideration transferred

Shares issued, at fair value	1,350,000
Contingent consideration equity – tranche 3	514,403
Financial liability – tranche 2	422,622
Total consideration transferred	<u>2,287,025</u>

The cash outflow on acquisition is as follows:

Net cash acquired with subsidiary	47,481
Net cash outflow	<u>47,481</u>

NOTE 6: DIVIDENDS

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

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 8: SUBSEQUENT EVENTS

On 11 January 2010 the Company announced it had raised \$1.715 million through the exercise of options. Following the receipt of monies the Company issued 114.35 million ordinary shares.

DIRECTORS' DECLARATION

In the opinion of the directors of Signature Metals Limited ('the company'):

1. The financial statements and notes thereto, as set out on pages 17 to 24, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company 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 made pursuant to s.303(5) of the Corporations Act 2001.



Bill Oliver
Director

Perth, Western Australia
16th March 2010

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 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 31 December 2009 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 the entities it controlled during the half-year, 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.

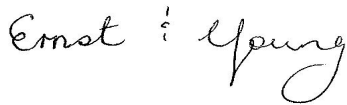
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, appearing to be 'F Drummond'.

F Drummond
Partner
Perth
16 March 2010