



ASX Release

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SIGNATURE METALS LIMITED

Level 1 / 333 Collins Street
Melbourne, Victoria, Australia

ASX: SBL

Directors :

Raymond Tan – Non-Executive Chairman

Peter Chen – Executive Director

Roland Selvanayagam – Non-Executive Director

Denis Clarke – Non-Executive Director

Chief Executive Officer:

Chris Gbyl

Company Secretary:

Adrian Di Carlo

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2,760 million shares

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Signature Metals' Konongo Gold Project focuses on the underground high grade potential in Ghana's Ashanti Gold Belt

Signature Metals Limited (ASX: SBL) is proceeding with a technical Life of Mine Study to accelerate the assessment of the underground mining potential of the Konongo Gold Project. Commensurate with this effort, exploration activities in key prospective zones will be stepped up under the leadership of Chris Gbyl, who joined Signature Metals as Chief Executive Officer and Project Director of the Konongo Gold Project at the beginning of January 2013.

Chris comments, *"We are committed to developing a longer-term, robust Life of Mine Plan which reflects the significant underground mining potential of the Konongo Gold Project. Resources currently deployed in the trial mining of shallow oxide ore and tailings will be reallocated to fund a more aggressive exploration program for near-surface oxide mineralization. In addition, and in parallel, a deeper exploration drilling program will evaluate the extensive higher grade sulphide mineralization at 50 to 300m depth. Processing options for the sulphide mineralization will also be fully evaluated. A Life of Mine Plan, supported by successful exploration, will ensure that the future allocation of capital will be aligned with Konongo's commercially sustainable prospects"*.

In 2011 Owere Mines Limited, the Ghanaian company of which Signature Metals holds 70%, began processing tailings which had accumulated over 25 years of open pit and underground mining. Trial processing of open pit oxide ore commenced in April 2012 in parallel with exploration efforts. While exploration drilling results have been encouraging, further development of open pit operations has not proven justifiable. The shift in strategy to one of accelerating exploration efforts to identify near-surface oxide ore and to test the large potential of the deeper sulphide mineralisation, will see trial mining suspended in the interim and the consequential retrenchment of some of the operational workforce.

The Konongo Gold Project has historic production of over 1.6 million ounces, with a large portion of that coming from underground mining. The project comprises 192 square kilometres of granted tenure and contains 16 known gold deposits along 12 kilometres of strike within the Ashanti Gold Belt, considered by many to be among the world's most prospective gold-rich regions. AngloGold Ashanti Limited's 29 million ounce Obuasi mine is situated within the Belt some 80 kilometers from Konongo and is producing over 200,000 ounces per year.

The Project has within its tenement holding 12 kilometres of the same Ashanti Shear structure and is a key focus of the planned exploration effort, given its largely unexplored nature. Mining activity commenced in earnest at Konongo in 1918, ultimately leading to underground development down to 844 meters through four shafts and the discovery of the Obenemase-Boabedroo, Awere and Akyenase structures. Over the following years, some 1.4 million ounces of gold was produced from 2.8 million tonnes of ore at 17.7 grams per tonne. No underground mining has commenced since, and until today, mining efforts from 1986 have focused only on exploitation of oxide prospects at the surface. The Company and others before it have recognised that the long term future success of the Konongo Gold Project lies in its underground potential.

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