

ASX Release

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**SIGNATURE METALS
LIMITED**

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JORC RESOURCE AT KONONGO INCREASED TO 1.47 MILLION OUNCES OF CONTAINED GOLD

- **Total Indicated and Inferred Resource for the Konongo Gold Project increased by approximately 200,000 ounces to 1.47 million ounces of gold contained within the project area.**
- **Indicated Resources increased by almost 120,000 ounces to over 687,000 ounces of gold.**
- **Total Indicated and Inferred Resource for Boabedroo Deposit increased by over 76,000 ounces through successful drill campaign.**
- **Indicated Resource at the Boabedroo Deposit increased to 103,000 ounces of gold.**
- **Total Indicated and Inferred resource for Obenemase Deposit increased by approximately 100,000 ounces.**
- **New resource at Obenemase East contains 47,500 ounces of gold in Indicated and Inferred categories.**
- **Obenemase D Lode resource increased by almost 50,000 ounces after 2010 drilling campaign to over 65,000 ounces of contained gold in the Indicated and Inferred categories.**
- **New Inferred Resource estimate for Kwakawkaw Deposit allows evaluation to commence immediately.**

The Company is very pleased to announce that the Indicated and Inferred JORC compliant Mineral Resource contained within the Konongo Gold Project has been **upgraded by almost 200,000 ounces (or 15%) to 1.47 million ounces of gold**. Significantly resources in the Indicated category have been **increased by 119,000 ounces (21%) to over 687,000 ounces** indicating the advanced nature of the deposits within the Project.

The Total in site Mineral Resource for the project is now **23.4 million tonnes** at a **grade of 1.95g/t gold** for **1.47 million ounces of contained gold** and is classified as follows:

Class	Tonnes	Grade (g/t)	Ounces Au
Indicated	10,506,500	2.03	687,070
Inferred	13,123,500	1.85	779,620
Total	23,355,000	1.95	1,466,690

The Mineral Resource is reported above 0.5g/t Au for oxide/transition material and 1g/t Au for fresh material whilst for tails material all material has been reported. Resources stated have been adjusted for previous open pit and underground mining where this has occurred.

The mineral resource for the Boabedroo Deposit was re-estimated after the inclusion of results from the recent drilling campaign which were released on 27th July and 9th August 2010. These results have contributed to increasing the overall (Indicated and Inferred) resource by over 75,000 ounces with the Indicated resource now containing over 103,000 ounces of gold (an increase of 87,000 ounces from the previous resource).

New drilling data has also been used in the re-estimation of the Obenemase Deposit, with a resultant increase of almost 100,000 ounces. The deposit contains material in the Indicated and Inferred categories (detailed in Table 2) and for modelling purposes has been broken down into three deposits:

Deposit	Tonnes	Grade (g/t)	Ounces Au
Obenemase Main	4,729,500	2.90	440,460
Obenemase D Lode	960,500	2.11	65,025
Obenemase East	1,185,500	1.25	47,640
Total	6,875,500	2.50	553,125

It should be noted that no mining has been carried out on the resources stated for the D Lode or Obenemase East. This is the first resource to be estimated at Obenemase East. The proximity of these deposits to the CIL plant (less than 1 kilometre) means that surface mining of these deposits may provide viable sources of oxide feed.

The Inferred Resource for the Kwakawkaw Deposit has been re-estimated based on extensive data compilation as well as geological mapping. The new Inferred Resource is 985,000 tonnes at 1.72g/t gold for almost 55,000 contained ounces of gold. Evaluation of the viability of this deposit has commenced immediately with pit optimisation studies. The Company plans to drill test high grade portions of this resource in coming months as well as target dip/strike extensions.

The resource statement now includes an Inferred Resource for the Southern Tails area which contains material derived from historical underground mining. As mentioned in previous announcements the

Konongo Gold Project contains a significant amount of material on oversize stockpiles, low grade dumps and in tailings / battery sands adjacent to historical workings. Based on the Company's sampling and historical data an Inferred Resource of 275,000 tonnes at 1.56g/t gold has been estimated for the dumps in the Southern Tails area. JORC compliant resources are still being estimated for the substantial surface stockpiles in the immediate plant area.

At an EV / resource ounce of less than A\$30 per ounce Signature Metals continues to be significantly undervalued when compared to other West African gold explorers, developers and miners (Figure 1). Work is progressing rapidly towards the re-commencement of production in January 2011, with the plant refurbishment 60% complete.

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- The Konongo Gold Project consists of a mining license and prospecting license covering 192km² in the world class Ashanti Gold Belt of Ghana. The mining license has recently been extended to 2023.
- Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.
- Onsite 350ktpa CIL plant being refurbished at a fraction of the cost of purchasing a new/second hand plant.
- First production scheduled for January 2011
- Expansion to 700,000tpa being examined.
- Aiming to develop the Konongo Gold Project into a +100,000 ounce per annum gold producer.
- JORC Resources of almost 1.47 million ounces (Table 1).
- Exploration programmes progressing well, with over 15,000 metres of drilling completed and a substantial number of high grade results received.
- Numerous additional high quality drill targets generated through successful greenfields exploration.
- Exploration Target¹ of 1.5 - 2.5 million ounces of gold (20 – 25 million tonnes at a resource grade of 2 - 4g/t gold).
- Significant Manganese discovery to be drill tested.

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Managing Director
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¹This exploration target is conceptual in nature and relates to defined exploration targets/areas where mineralisation has been identified but resources have not been delineated. The quantity and grade of the exploration target is based on past production records and in comparison with currently defined Mineral Resources contained within the project. There has been insufficient exploration to define a Mineral Resource in these areas (aside from the resources presented earlier) and it is uncertain if further exploration will result in the determination of a Mineral Resource different to the JORC-Code compliant resource presented earlier. Signature Metals has an exploration strategy to systematically test these areas to determine if Mineral Resources are present.

The information in this release which relates to Mineral Resources is based on information compiled by Mr Peter Ball who is a Member of the Australasian Institute of Mining and Metallurgy and 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion in this release of matters relating to Mineral Resources in the form and context in which they appear based on the information presented to him.

The information in this release which relates to Exploration Results is based on information compiled by Mr Bill Oliver. Mr Oliver is a Member of the Australasian 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is the Managing Director of Signature Metals and consents to the inclusion in this release of the matters relating to Exploration Results in the form and context in which it appears based on the information presented to him.

Figure 1. JORC Resources (Moz contained gold) and EV / resource ounce for selected West African gold companies listed on the ASX

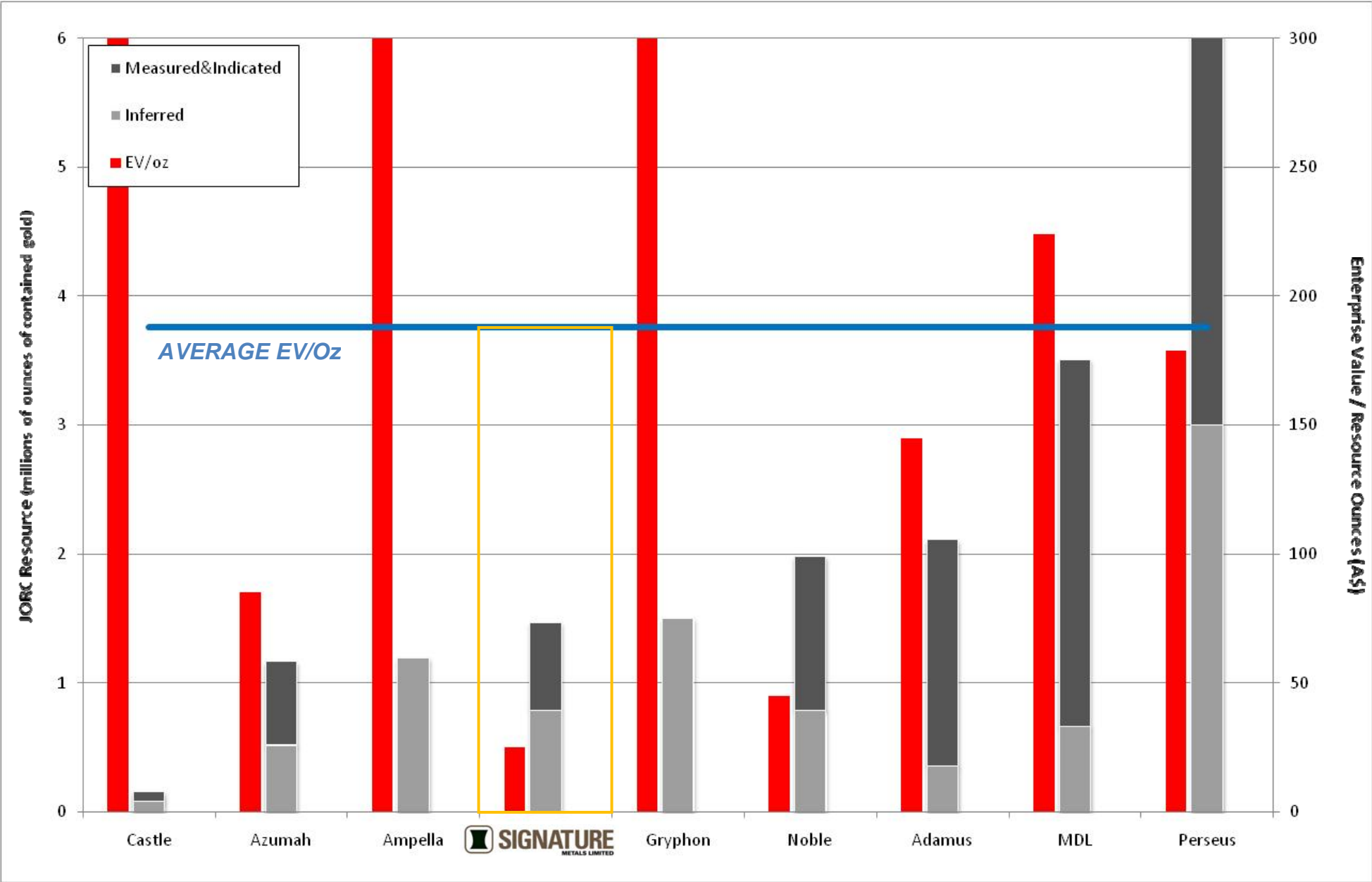


Table 1. Resources contained within the Konongo Gold Project. Re-estimated resources highlighted in bold.

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				3,802,500	2.91	355,440	3,073,000	2.00	197,630	6,875,500	2.50	553,125
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
Kwakawkaw							985,000	1.72	54,575	985,000	1.72	54,575
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				1,359,000	2.36	103,300	2,244,000	2.36	170,490	3,603,000	2.36	273,790
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	135,805	810,000	1.25	32,555	4,330,000	1.21	168,360
Santreso South							340,000	1.16	12,680	340,000	1.16	12,680
Santreso East							700,000	1.27	28,615	700,000	1.27	28,615
Old Tailings Dam				1,177,000	1.19	45,050	575,000	0.87	16,100	1,752,000	1.09	61,150
Southern Tails							275,000	1.56	13,795	275,000	1.56	13,795
Total	0	0	0	10,506,500	2.03	687,070	13,123,500	1.85	779,620	23,355,000	1.95	1,466,690

Table 2. Resources contained within the Obenemase Deposit.

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 Main				3,153,500	3.12	316,310	1,576,000	2.45	124,150	4,729,500	2.90	440,460
Obenemase D Lode				414,000	2.35	31,270	547,000	1.92	33,755	960,500	2.11	65,025
Obenemase East				235,000	1.04	7,860	950,000	1.30	39,725	1,185,500	1.25	47,640
Total Resource				3,802,500	2.91	355,440	3,073,000	2.00	197,630	6,875,500	2.50	553,125

The Mineral Resources presented in these tables for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits, as well as for the Old Konongo Tailings Dam is based on information compiled by Mr Peter Ball who is a Member of the Australasian 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 'Australasian 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. For tailings material all material is included in 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 Australasian 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 'Australasian 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.