

9 September 2009

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

Signature Metals Limited (**Company**) has announced to ASX Limited (**ASX**) a pro rata non-renounceable entitlement issue of three (3) shares for every four (4) shares held by shareholders at an issue price of 1 cent per share to raise \$3,147,437 (**Entitlement Issue**) (**Offer**).

The Offer will result in the issue of 314,743,658 new shares.

The Entitlement Issue is fully underwritten by Cunningham Peterson Sharbanee Securities Pty Ltd trading as "CPS Securities" (**Underwriter**).

The prospectus relating to the Offer has been lodged with the Australian Securities and Investments Commission, New Zealand Registrar of Companies and ASX and is available on the ASX website at www.asx.com.au for inspection. The timetable and important dates of the Offer* are set out below:

Lodgement of Prospectus and Appendix 3B with ASIC	9 September 2009
Notice sent to Shareholders	11 September 2009
Ex Date	14 September 2009
Record Date for determining Shareholder entitlements	21 September 2009
Prospectus despatched to Shareholders	24 September 2009
Closing Date of Offer	9 October 2009
Despatch date/Shares entered into shareholders security holdings	19 October 2009

** These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notifying you. You are encouraged to submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the securities. The Offer does not require the approval of shareholders.*

The purpose of the Offer is to raise approximately \$3,147,436 and the funds will be used in accordance with the table set out below:

Proceeds of the Offer	\$
Exploration/resource definition Drilling	1,500,000
Plant and infrastructure assessment	150,000
Metallurgical testing	100,000
Mining study and review of existing JORC resources	200,000
Scoping study into reclamation of surface stockpiles	150,000
Environmental Assessments and Mine Planning	250,000
Working Capital	577,436
Expenses of the Offer	220,000
Total	3,147,436

The capital structure of the Company on completion of the Offer will be as follows:

Shares

	Number
Shares on issue at date of Prospectus	419,658,210
Shares offered pursuant to the Offer	314,743,658
Total Shares on issue after completion of the Offer	734,401,868

Options

	Number
Unlisted exercisable at \$0.65 on or before 31 December 2009	50,000
Unlisted exercisable at \$0.65 on or before 14 April 2011	333,333
Unlisted exercisable at \$0.65 on or before 14 April 2012	333,333
Unlisted exercisable at \$0.65 on or before 14 April 2013	333,333
Unlisted exercisable at \$0.015 on or before 31 December 2009	145,350,000
Unlisted exercisable at \$0.03 on or before 28 September 2012	20,000,000
Unlisted exercisable at \$0.03 on or before 14 November 2012	9,000,000
Total Options on issue after completion of the Offer ²	175,399,999 ¹

Notes:

1. 175,399,999 of these Options may be exercised by the Option holders prior to the Record Date in order to participate in the Entitlement Issue.

In calculating entitlements under the Entitlement Issue, fractions will be rounded up to the nearest whole number.

The Offer is made to shareholders with registered addresses in Australia and New Zealand only. Overseas shareholders (other than those registered in New Zealand who qualify to participate under the mutual recognition scheme between Australia and New Zealand) who wish to participate in the Offer may do so by changing their registered address to one within Australia or New Zealand before the record date being 21 September 2009. Overseas shareholders should contact the Company Secretary with any queries.

Full detail of the Offer will be contained in the Prospectus that will be mailed to all shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully

Matthew Wood
Chairman