

MINING COMMENCES AT KONONGO GOLD PROJECT

ASX Release

Monday 28th March 2011

**SIGNATURE METALS
LIMITED**

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2,138 million shares

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Signature Metals Limited is pleased to announce that it has commenced mining at the Konongo Gold Project.



Mining of the Old Konongo Tailings Dam

Reclamation of the Old Konongo Tails Dam has commenced with ore being stockpiled initially and haulage planned to commence next week. The Company has received the environmental permit required for the re-commencement of mining and processing by the Ghanaian Environmental Protection Agency (EPA) and engaged local earthmoving contractors to carry out mining and haulage as well as haul road maintenance. Further refurbishment of the haul road has been carried out in 2011 to enable haulage to be possible year round.



The Old Konongo Tails Dam contains a resource of approximately 61,150 ounces of gold in the Indicated and Inferred categories.

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

Included in this resource is a high grade zone containing approximately 448,000 tonnes at a grade of 1.66g/t. This material will add to the approximately 100,000 tonnes of stockpiles available in the plant area and be blended to provide initial mill feed.

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

Stockpiles 1 and 2 on the ROM pad



Stockpiles 4 and 5 on the ROM pad



Bill Oliver
Managing Director
SIGNATURE METALS LIMITED

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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.
- Expansion to 700ktpa being examined.
- JORC Resources of almost 1.47 million ounces (Table 1).
- Exploration programmes progressing well, with over 25,000 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.

¹*This 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.*

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

The Mineral Resources presented in this table 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.

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.