

ASX Release

15 May 2012

SIGNATURE METALS LIMITED

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 Mark Gillie
 Choy Yin Wong
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 Bill Oliver

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Company Secretary:

Adrian Di Carlo

Issued Capital:

2,760 million shares

ASX: SBL

E-mail:

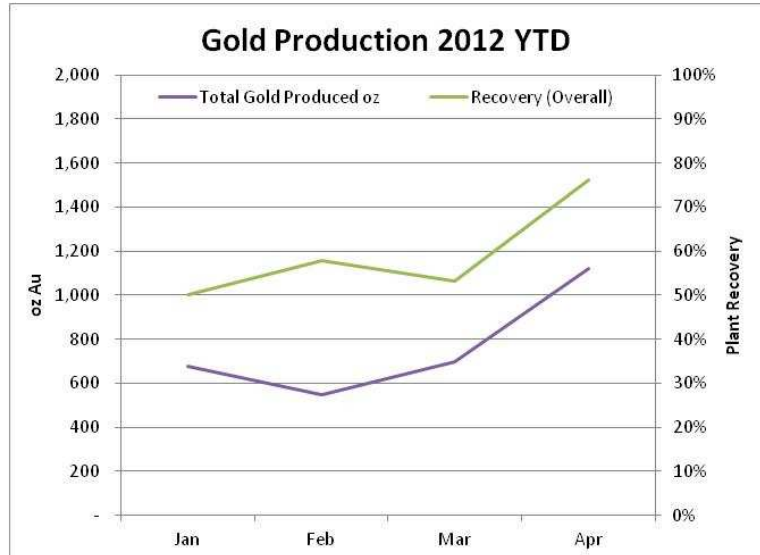
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PRODUCTION UPDATE

Signature Metals Limited (ASX: SBL) is pleased to update the market on production during the month of April at the Konongo Gold Project, located in the Ashanti Gold Belt of Ghana. Gold production in April 2012 showed an increase of 60% from March to April, mainly as a result of improved gold recovery in the Processing Plant achieved on ore from trial mining at the newly opened Kyereben Pit.



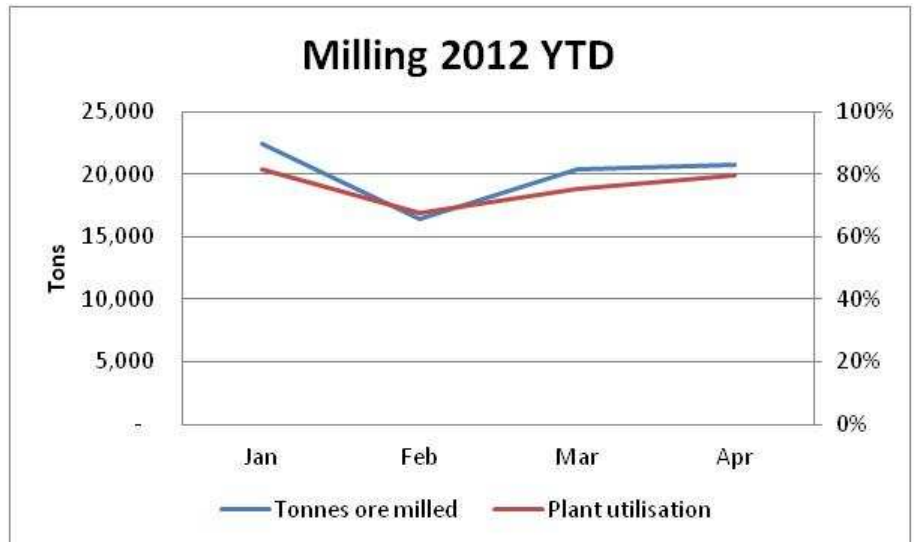
Trial mining of oxide material from the Kyereben Pit has made a quantum improvement in the profitability of the operation, when compared to the material fed to the plant earlier in the year. The tailings previously mined, hauled and treated yielded recoveries typically between 50 to 60%, consistently below the 60% targeted for this material. Average gold recovery for the month of April was 76% and the expectation is that recoveries should continue to improve in future months, with a target of 90% for the oxide material. The improvement in gold recovered can be seen in the summary table below which shows year-to-date (YTD) production by month:

	January	February	March	April
Tonnes processed	22,394	16,400	20,331	20,750
Rate (tonnes / day) ¹	887	836	873	867
Availability	81%	68%	75%	80%
Grade	1.88	1.79	2.01	2.21
Recovery ²	50%	58%	53%	76%
Gold produced (oz)	677	546	700	1,123

Notes:

1. The reduction in the tonnes processed per day is a result of adjustments to throughput to improve recoveries but also due to the plant feed measuring device overstating the tonnes milled, a fault that was identified towards the April month end. The mill feed belt mass "weightometer" will be replaced shortly as part of the planned upgrade of the metal accounting installations.
2. Gold recovery reported (76% in April) is based on gold shipped for refining and sale. This "actual recovery" is up to 14% lower than the recovery indicated by the plant feed and tailings sampling, which implies that recovery of up to 90% is achievable.

A number of challenges are being addressed in order for the improvement in gold production and profitability to be sustained. Utilisation of the plant has been constrained below 80% of available operating time, with power quality and outages the major contributor to plant down-time. Proposals for the construction of a dedicated power line from the Gridco substation on the Mining Lease direct to the Process Plant are under review, and it is anticipated that a decision on this project will be made within a few months. The more reliable source of power will immediately increase plant utilisation and therefore gold produced.



The trial mining at Kyereben Pit and metallurgical processing of ROM oxide ore is providing important parameters for future feasibility study work that could include plant design for expanded milling operations. This additional data may also allow initial definition of Reserves from the 1.47Moz resource base (Indicated and Inferred categories; detailed in Table 1).

Available mineable resources are limited, hence exploration efforts are focussed on delivering another ore source to complement the Kyereben Pit. The proposed Boabedroo South Extension pit is in advanced stages of evaluation, and it is anticipated that trial mining of this ore source will commence during June 2012. Other prospective targets in the Mining Lease are also being investigated, and given the achievements at the Kyereben Deposit the Company is confident that exploration success will be able to be incorporated rapidly into the mining and processing schedule.

Mark Gillie
 Executive Director
SIGNATURE METALS LIMITED

About Signature Metals Limited (ASX Code: SBL)

Signature Metals has assembled a package of quality resource projects in Africa. The Company's flagship asset is the Konongo Gold Project (Project) in the world class Ashanti Gold Belt of Ghana. Past production from the Project totalled 1.6 million ounces at a head grade of 11.8g/t gold. The Company is focused on developing the Konongo Gold Project into a +100,000 ounce per annum gold producer from the existing Indicated and Inferred JORC Resources of almost 1.5 million ounces (Table 1).

The Konongo Gold Project comprises 192km² of granted tenure and contains 16 known gold deposits along 12 kilometres of strike of the Ashanti Gold Belt. The Project currently has JORC compliant resources of 23.6 million tonnes at a grade of 1.95g/t in the Indicated and Inferred categories for a total of 1.47 million ounces of gold (detailed in Table 1). Additionally, significant infrastructure remains on site including a 350ktpa CIL plant which has been refurbished by the Company. The Company is examining the potential to expand production from this plant. The Company has been in gold production since July 2011 and is in the process of ramping up to full commercial production.

In March 2012 LionGold Corporation, a gold mining company listed on the main board of the Singapore Stock Exchange, completed the acquisition of a 76.2% holding in Signature Metals via an off-market share offer. LionGold's objective is to become the Singapore Stock Exchange's first mid tier gold mining development and production company. It currently has investments in projects in Ghana and Mali which range from producing gold mines to development projects and exploration concessions.

For more information visit : www.signaturemetals.com.au

This release contains certain forward-looking statements. These forward-looking statements are based on management's expectation and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Signature Metals Limited, that could cause actual results to differ materially from such statements.

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	553,070
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	23,630,000	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 a 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.