



ASX Release

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NEW RC DRILL PROGRAMME COMMENCES AT KONONGO

Signature Metals Limited is pleased to announce that RC drilling has recommenced at the Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana. The next phase of RC drilling will test extensions to mineralisation at the Kwakawkaw Deposit and follow up the surface discovery at the Kyereben Prospect.

The Kwakawkaw Deposit currently has an Inferred Resource of 985,000 tonnes at 1.72g/t gold (Table 1). Historical mining records state that 257,000 tonnes of ore was mined from two open pits at a grade of 3.94g/t. Historical drilling of the Kwakawkaw Deposit before and during mining returned some spectacular near-surface intersections including:

- **KSDH22** – 32m at 5.97g/t gold from surface
- **KSDH93** – 34m at 7.44g/t gold from surface
- **KSDH202** – 16m at 9.36g/t gold from surface
- **KSDH269** – 10m at 7.58g/t gold from 16 metres
- **KSDH291** – 6m at 9.63g/t gold from 44 metres
- **KKD60** – 24m at 3.77g/t gold from 14 metres
- **KKD91** – 20m at 6.44g/t gold from surface
- **KKD212** – 14m at 5.70g/t gold from 12 metres
- **KKDH13** – 32m at 3.65g/t gold from 16 metres

Only isolated drilling has been undertaken beneath the depth of mining (30-40 vertical metres). The current drill programme has been derived from extensive compilation and validation of drilling data and aims to target extensions to the high grade zones intersected in historical drilling.

RC drilling will also follow up earlier aircore drilling at the Kyereben prospect, which returned results of¹:

- **13 metres at 2.90 g/t gold from 34 metres***
- **15 metres at 1.12 g/t gold from 12 metres***
- **7 metres at 1.05 g/t gold from 21 metres**
- **4 metres at 3.30 g/t gold from surface**
- **5 metres at 1.46 g/t gold from surface**

** Mineralisation occurs at end of hole*

As two of these intersections occurred at the end of the drillhole RC drilling will be used to fully test the depth extensions to this mineralisation. Infill RC drilling will also be carried out to enable an initial JORC resource to be calculated for the Kyereben Prospect.

The Company looks forward to updating the market with results from drilling as they are received.

Bill Oliver
Managing Director
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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 700,000tpa being examined².
- 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 Target³ 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 'Drilling confirms Surface Discovery at Konongo' 21 February 2011

²Expansion detailed in announcement to the ASX on the 6th September 2010.

³This 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.

Figure 1. Plan showing location of the Kwakawkaw Deposit.

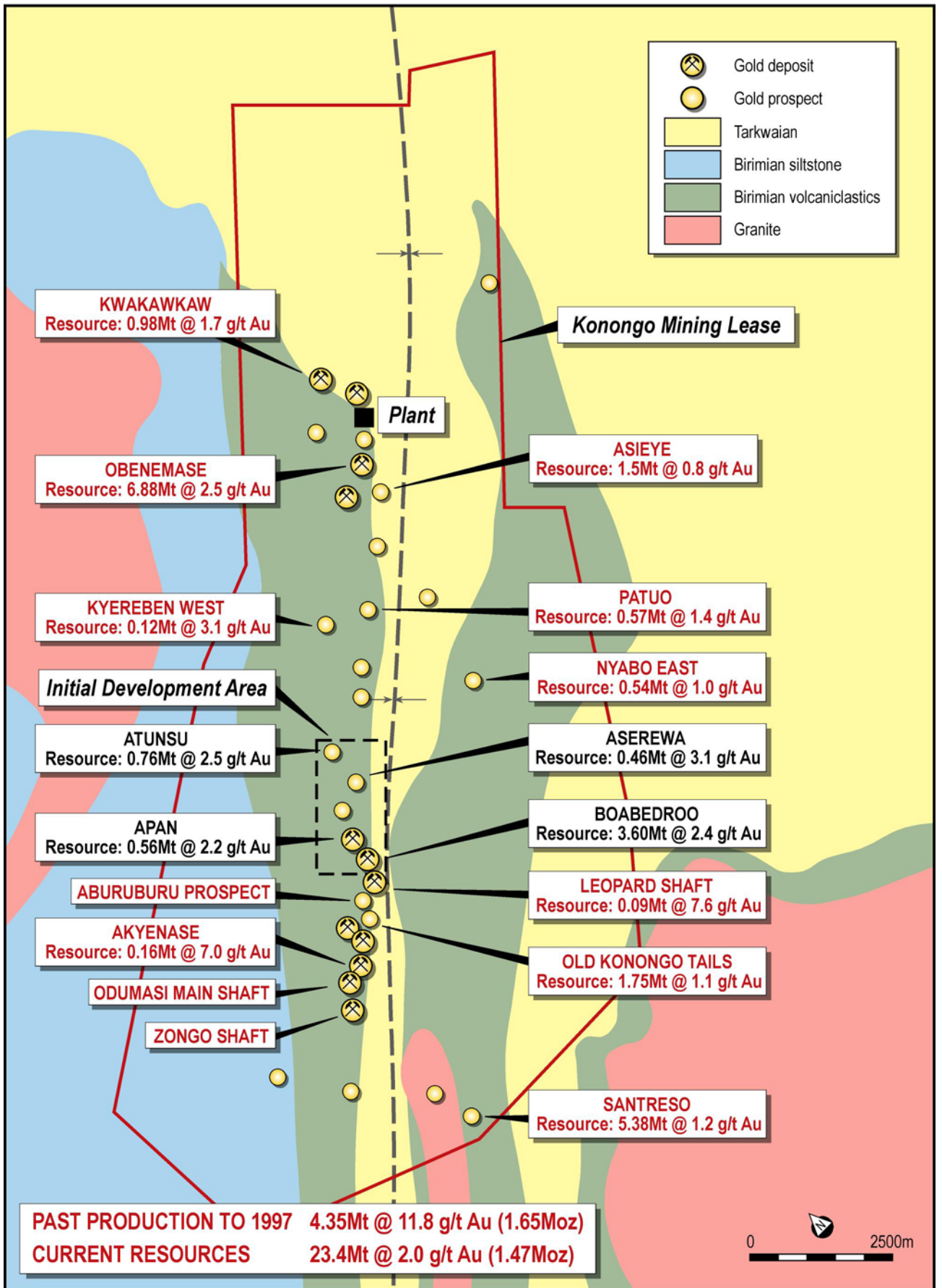


Table 1. Resources contained within the Konongo Gold Project. Re-estimated resources highlighted in bold.

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.