

ASX Release

10th March 2011**SIGNATURE METALS
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WEST PERTH
Australia

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Scott Funston**Issued Capital:**

1,859 million shares

ASX Symbol: SBL**Media:****Fortbridge** +612 9331 0655
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RIGHTS ISSUE AND PLACEMENT TO RAISE \$16 MILLION

Signature Metals Limited (**Company**) is very pleased to announce the raising of up to A\$16.25 million via a rights issue and placement to continue the exploration and development of the Konongo Gold Project in the world class Ashanti Gold Belt.

The Company has secured firm commitments from subscribers to participate in a placement by which the Company will raise \$9.2 million (before costs) through the issue of 278.9 million shares at an issue price of 3.3 cents each (**Placement**). Patersons Securities have been appointed Lead Managers for the Placement.

In addition to the Placement the Company will undertake a 1 for 10 non renounceable entitlements issue at 3.3 cents per share to raise approximately \$7.05 million (**Offer**). The Offer will be fully underwritten by Patersons Securities and will be made pursuant to a prospectus to be lodged at ASIC in the near future (**Prospectus**). The Placement will be issued immediately after lodgement of the Prospectus at ASIC under the Company's existing capacity under Listing Rule 7.1.

Funds raised pursuant to the Placement and Offer will be used as per Table 1 overleaf.

The Company has spent approximately A\$3 million on opportunistic purchases of capital equipment which will reduce operating costs compared to using contractor or hire equipment. Equipment includes a larger crushing plant which is able to run at rates to suit the Company's proposed plant expansion, as well as loaders for ore handling and other mobile plant. The successful completion of the Placement and Offer will put the Company in a strong financial position through the initial production phase.

Funds will also be used to accelerate the Company's exploration programme, which has recently resulted in the successful discovery at the Kyereben prospect. Follow up drilling will be carried out at this prospect, as well as drill testing of other targets within the project area. Exploration of the manganese occurrences identified during 2010 is also planned.

Table 1. Use of Funds raised pursuant to Placement & Offer.

	A\$M
Purchase of crusher and mobile plant	3.00
Exploration of the Konongo Gold Project	7.00
Manganese Exploration	0.25
Expansion Studies	0.50
Working Capital	4.58
Expenses of the Placement	0.92
Total	16.25

Bill Oliver
Managing Director
SIGNATURE METALS LIMITED