



4 March 2013

Company Announcements Office  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

### **Sale of unmarketable parcels**

The Directors of Signature Metals Limited ('Signature' or 'the Company') are pleased to announce that the Company has established a mechanism for the sale of unmarketable parcels of shares in the Company, being a parcel of shares with a market value of less than \$500, subject to the conditions set out in the attached notice.

As at the close of business on **26 February 2013** ('Record Date') the Company had **1,872** shareholders of which 995 held an unmarketable parcel and are described as 'Minority Members'. Their holdings, which total 24,657,843 shares, represent 0.89% of the Company's total issued shares.

To sell these unmarketable parcels, Signature has entered into an agreement with LionGold Corp Limited ('LGC') whereby LGC has offered to acquire all of the shares held by Minority Members on the Record Date at a price per share that is equal to the higher of:

- (a) The minimum sale price in accordance with the Company's Constitution of **\$A0.0053**, being the simple average of the last sale prices of Signature shares quoted on ASX for each of the ten trading days prior to 1 March 2013, being the date the offer was received from LGC;
- (b) The simple average of the last sale prices of Signature shares quoted on ASX for each of the ten trading days prior to the day after the 'Closing Date', which is the date on which the notice periods required by Signature's constitution expires; or
- (c) The volume weighted average price of Signature shares over the ten trading days prior to the day after the Closing Date.

LGC will transfer the purchase price of the unmarketable parcels to Signature after the Closing Date, and Signature will then arrange for the proceeds of the sale to be distributed to Minority Members. All Minority Members whose shares are sold will receive the same sale price per share and any brokerage or handling fees related to the sale will be paid by the Company.

The Directors of Signature have accepted this offer from LGC in accordance with their power to sell the shares held by Minority Members under Signature's Constitution.

Under the agreement, LGC has the right to terminate the agreement and thereby withdraw the offer in certain circumstances including where:

- by purchasing the shares, LGC would acquire a relevant interest that is 3% more than the relevant interest held by LGC in the previous 6 months; or
- the total cost to LGC of the purchase is more than A\$300,000.00 or the price per share is higher than A\$0.01.

LGC currently holds 76.22% of the total number of Signature shares. If LGC acquires all of the shares which comprise the unmarketable parcels and it has not otherwise acquired any additional shares, LGC's interest in Signature would increase to 77.11% and LGC is able to acquire these shares without the Company seeking shareholder approval.

The elimination of unmarketable parcels of shares will assist in reducing the size of the Company's shareholder base and the administrative costs associated with managing that base. It will also benefit the shareholders of unmarketable parcels who otherwise might find it difficult to sell their shares due to the small size of their holding. These shareholders will also avoid incurring any brokerage costs as these will be paid by the Company.

Minority Members who do not wish to have their shares sold to LGC may elect to retain their shares by returning a signed copy of the Share Retention Form in accordance with the attached Notice which will be sent to all shareholders holding unmarketable parcels as at **26 February 2013**.

Yours faithfully

**Peter Chen**

**Executive Director**