



ASX Release

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SIGNATURE METALS LIMITED

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ASX: SBL

Directors :

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Peter Chen – Executive Director

Roland Selvanayagam – Non-Executive Director

Denis Clarke – Non-Executive Director

Chief Executive Officer:

Chris Gbyl

Company Secretary:

Catherine Officer

Issued Capital:

2,760 million shares

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Signature Metals partners China SOE-backed CBMI Construction to develop gold tailings project

Key points:

- Signature Metals Limited has engaged CBMI to undertake the modification, commissioning, operation and management of its Owere gold plant for a 36-month term.
- The partnership was formed to further improve the return profile of Owere Mines' gold tailings agreement with B&C announced in January 2014.
- B&C will supply and sell to Owere Mines 1 million dry metric tonnes of gold bearing tailings over a period of three years and two months. Owere Mines is responsible for the treatment and processing of tailings and recovery of gold thereafter and will receive associated income from the gold produced.
- Owere Mines intends to leverage CBMI's over 50 years of experience to design a more efficient and affordable gold processing plant to obtain higher gold recovery rates for the gold tailings project.
- CBMI will undertake works which include engineering design, procurement, supply, delivery to site, erection works, testing, start-up, guarantees and production.

Signature Metals Limited (ASX: SBL) (Signature) is pleased to announce that it has entered into a partnership with CBMI Construction Co., Ltd. (CBMI) to modify, commission, operate and manage the gold processing plant of its 70%-owned subsidiary, Owere Mines Limited. CBMI is a wholly-owned subsidiary of China's state-owned engineering contractor giant, SINOMA Group Ltd.

The partnership was formed to improve the return profile of Owere Mines' gold tailings agreement with B&C Gold Pty Ltd (B&C) announced in January 2014. B&C will supply and sell to Owere Mines 1 million dry metric tonnes of gold bearing tailings over a period of three years and two months. Owere Mines will be responsible for the treatment and processing of tailings and recovery of gold thereafter and will receive associated income from the gold produced, net of associated costs and the purchase price of the tailings.

As such, CBMI has been engaged to undertake the operation and management of the Owere gold plant during the 36-month term of the gold tailings project. CBMI will receive a fee and undertake works which include

engineering design, procurement, supply, delivery to site, erection works, testing, start-up, guarantees and production. Signature intends to leverage CBMI's over 50 years of experience in engineering consultancy, construction, equipment manufacturing, operations and maintenance to improve the project's return profile by designing a more efficient and affordable gold processing plant to obtain higher gold recovery rates.

Delivery of the first parcel of tailings from B&C has commenced while processing of the gold tailings is expected to follow in the coming months with the involvement of CBMI. Since March 2013, Owere Mines has ceased trial mining activities and reverted to an aggressive exploration programme to fast-track an assessment of the more extensive high-grade refractory sulphide gold ore underground. Its existing processing plant, which has an annual processing capacity of 320,000 tonnes of ore, has since been put on care and maintenance. The agreement will allow Owere Mines to fully utilise its existing plant and equipment, which have the capabilities to process surface oxide ore, while it continues its exploration at its 100%-owned Konongo Gold Project. Income from gold produced under the agreement is expected to sustain exploration activities at the Konongo Gold Project through to production.

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About SINOMA Group & CBMI Construction

China National Materials Group Corporation Ltd (SINOMA) is a Chinese state-owned enterprise with substantial industrial engineering and contracting operations across China as well as in North America, Europe, Japan, the Middle East and Africa. In 2012, through its 69 subsidiaries and 13 design and research institutes, the group achieved revenues of RMB64 billion (S\$13 billion), net profit of RMB2.8 billion (S\$580 million), with total asset of RMB104 billion (S\$21.6 billion).

CBMI Construction Co., Ltd. (CBMI) is a private company held by SINOMA. Domestic activities are headquartered in Tangshan City, Hebei Province, with overseas operations administered through its branch in the Beijing Economic and Technological Development Zone. CBMI has over 50 years of experience in engineering consultancy, design, construction, equipment manufacturing, system integration, supply, operations and maintenance. Initially established in the local cement industry, the scope of industrial engineering and contracting capabilities has been significantly broadened, now including the mining and infrastructure sectors. The company is currently involved in over 20 projects worth over RMB10 billion (S\$2 billion) in over a dozen countries. CBMI has been accredited by ISO9000 quality management system (including UKAS and TGA) and ISO14000 environmental management system, with a credit rating of AAA.