

ASX Release

Monday 26 September 2009

**SIGNATURE METALS
LIMITED**
Level 1 / 33 Richardson Street
WEST PERTH
Australia

Tel: +61 8 9481 0101
Fax: +61 8 9200 4469

Contact:
Bill Oliver
(Managing Director)

E-mail:
info@signaturemetals.com.au

Directors / Officers:

Matthew Wood
Bill Oliver
Timothy Flavel
Stuart Murray
Scott Funston

Issued Capital:
766 million shares

ASX Symbol: SBL

Media:
Fortbridge +612 9331 0655
Bill Kemmery 0400 122 449

SEPTEMBER 2009 QUARTERLY REPORT

*“Developing a new gold project in the world-class
Ashanti Gold Belt of Ghana”*

HIGHLIGHTS

- **Drilling commenced during the September quarter with 3 diamond core holes completed for 1,481 metres**
- **High grade results from drilling at the Obenemase Deposit including:**
 - **14 metres at 9.01g/t gold from 46 metres (09KGDR009)**
 - **14 metres at 5.44g/t gold from 129 metres (09KGDR001)**
 - **10 metres at 5.70g/t gold from 173 metres (09KGDR003)**
 - **4 metres at 10.5g/t gold from 127 metres (09KGDR003)**
 - **3 metres at 10.4g/t gold from 159 metres (09KGDR001)**
- **Appointed a Ghana-based Project Manager to assess the 350ktpa CIL gold treatment plant and associated on-site infrastructure**
- **Fast tracking a strategy to bring the Konongo Gold Project rapidly into production, with potential for early cash flow from reclamation of stockpiles.**
- **Reviewing existing JORC Resources of approximately one million ounces.**
- **Past production from Konongo Gold Project of 1.6 million ounces at a head grade of 11.8g/t gold.**
- **Exploration Target of 1.5 - 2.5 million ounces of gold at a resource grade of 2-4g/t gold.**
- **Focussed on developing the Konongo Gold Project into a +100,000 ounce per annum gold producer.**

KONONGO GOLD PROJECT, GHANA

The Konongo Gold Project contains 16 known gold deposits along 12 kilometres of strike of the world class Ashanti Gold Belt in Ghana (Figures 1 and 2). The project comprises 192 km² of granted tenure and is jointly owned by Mwana Africa PLC, a local company and the Government of Ghana. The project currently contains over 975,000 ounces of gold in JORC compliant resources (15 million tonnes at 2.0g/t gold in the Indicated and Inferred categories). Significant infrastructure remains on site including a 350ktpa CIL plant.

Drilling

During the quarter the Company commenced drilling at the Obenemase Deposit. To date 1,481 metres have been drilled in 3 holes (as well as 6 further RC pre-collars).



The Company has secured Ausdrill Limited's (ASX:ASL) wholly owned subsidiary African Mining Services (AMS) to drill a 4,000 metre diamond core programme. Drilling will continue until the end of the year, with regular updates to be released as results are received. The Company is also assessing options to increase the pace of its exploration activities with the addition of one or two extra drilling rigs.

Historical mining at Obenemase (open pit and underground) produced 102,700 ounces of gold from 1 million tonnes of ore at a recovered grade of 8.17g/t gold.

The Obenemase Deposit is currently estimated to contain 2.38 million tonnes at 3.18g/t gold (for 238,000 ounces of gold in the Indicated & Inferred categories – details in Table 1) and the Company believes that better delineation of the high grade shoots within the deposit (shown in Figure 1) will result in an increase in the resource grade consistent with the historical head grade and the grade intersected in previous drilling. The Company will review and update the Obenemase resource model in parallel with this drilling programme.

Results have been received from the first two diamond core drill holes completed at the Obenemase Deposit. Significant intersections are listed in Table 1 and include:

- **14 metres at 5.44g/t gold from 129 metres (09KGDR001)**
 - **including 5 metres at 9.39g/t gold from 129 metres**
 - **including 4 metres of stope material from 134 metres**

- **10 metres at 5.70g/t gold from 173 metres (09KGDR003)**
 - **including 4 metres at 10.4g/t gold from 174 metres**
- **4 metres at 10.5g/t gold from 127 metres (09KGDR003)**
- **3 metres at 10.4g/t gold from 159 metres (09KGDR001)**

Drill hole locations are shown on Figure 3 and intersections plotted on Figure 4.

The results from drill hole 09KGDR001 are confirmation that high grade gold shoots continue below the previously mined Obenemase pit. Previous results surrounding 09KGDR001 include **32 metres at 8.62g/t gold, 5 metres at 48g/t gold, 11 metres at 7.56g/t gold and 7.9 metres at 7.53g/t gold.**

The intersection of **10 metres at 5.70g/t gold** in drill hole 09KGDR003 is 40 metres up dip of an historical intersection of **10 metres at 11.6g/t gold** in drill hole OBAD113 (Figure 5). This result demonstrates the continuity of the high grade shoot. Drilling is currently underway to test the down dip extension of this shoot (09KGDR006 which is currently drilling at 243 metres depth) and further holes are planned to test along strike. Results of these holes will determine the extent of high grade mineralisation in this area and will be used in the re-estimation of the JORC resource at the Obenemase Deposit.



Gold mineralisation in both holes are hosted within quartz and quartz carbonate veining and associated siliceous alteration and are generally sub vertical with a northerly plunge.

Sampling of the RC pre-collars from the current diamond core programme at the Obenemase Deposit returned an excellent intersection of **14 metres at 9.01g/t gold from 46 metres** downhole in drillhole 09KGDR009.

The mineralisation intersected is interpreted to be a high grade shoot within the Obenemase “D” lode, which runs to the west of the main Obenemase Deposit (see Figure 3). No mining has been carried out on the D Lode.

Importantly mineralisation is hosted within oxide/transitional material which can be treated at the CIL plant currently onsite. Drillhole 09KGDR009 is less than 1 kilometre from the plant (see Figure 3) and therefore could potentially provide high-grade feed ore during the initial production phase.

This result extends D lode mineralisation 40 metres to the north. Significantly it is 140 metres north of intersections of **6m at 6.3g/t gold** and **15 metres at 15.6g/t gold** returned in historical RC drilling.

Mining Studies

The Company continues to assess the resource estimates for the 16 known gold deposits within the project area and re-model using modern day techniques and parameters. The project currently has current JORC compliant resources of **15 million tonnes at 2.0g/t gold** in the Indicated and Inferred categories representing **over 975,000 ounces of contained gold**:

| Class | Tonnes | Grade (g/t) | Contained Ounces Au |
|--------------|-------------------|-------------|---------------------|
| Indicated | 5,006,000 | 1.84 | 295,745 |
| Inferred | 10,001,000 | 2.12 | 682,685 |
| Total | 15,007,000 | 2.02 | 978,430 |

Resources contained within the project are detailed in the attached table and **include six deposits with resource grade greater than 4g/t gold**. A consultant engineer has been engaged to assess the viability of these resources at gold prices of over USD\$1,000 per ounce.



Plant

During the quarter the Company appointed Mr Roger Bannister as Project Manager for the Konongo Gold Project. Mr Bannister brings a large and varied experience in operations management and process design/optimisation to Signature Metals. Mr Bannister's responsibilities will include identification and scheduling of critical activities associated with the Company's objective of becoming a gold producer in the short term. Mr Bannister will be based in Ghana for the duration of the project.

Mr Bannister will be charged with completing a detailed assessment of the 350ktpa CIL plant and associated infrastructure on site and then preparing a schedule and budget for its refurbishment. Fast-tracking the rehabilitation of the existing CIL facility at the Konongo Gold Project is considered a priority and well suited to Mr Bannister's "hands on" gold plant design and operational experience.

Key development areas to be managed by Mr Banister include:

- Scoping and development of a strategy to produce gold from historical stockpiles prior to / in parallel with new high grade gold ROM ore production.
- Assessment of the capacity of existing tailings dam and waste rock storage to accommodate the first years of mine production, and investigation of additional capacity for further years.
- Supervision of metallurgical testwork as required.
- Assessment and selection of mining and crushing contractors.
- Re-connection of utilities and services to the CIL plant.
- Small scale, low cost refurbishment of ancillary equipment and plant around the processing facility.
- Final scope and budget for returning the CIL plant to a condition ready to resume gold production.
- Commence regulatory approvals for re-commencement of production at the Konongo Gold Project.
- Supervise refurbishment and start up of CIL plant following approval of funding from the Board.

CORPORATE

At the end of the quarter the Company commenced a fully underwritten non-renounceable rights issue to raise A\$3.2 million. The rights issue closed on October 6 (subsequent to the quarter) with an overwhelming take up of rights by existing shareholders. The Company thanks all holders for their continued support.

Bill Oliver
Managing Director
SIGNATURE METALS LIMITED

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.

The Exploration Target presented in this release 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 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 in the attached table) 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. Signature Metals has an exploration strategy to systematically test these areas to determine if Mineral Resources are present.

The information in this release which relates to Mineral Resources has 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 along with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. This information, in the opinion of Mr Oliver, complies with the reporting standards of the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Oliver is a Member of the Australian 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 'Australian 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.

Figure 1. Project Location

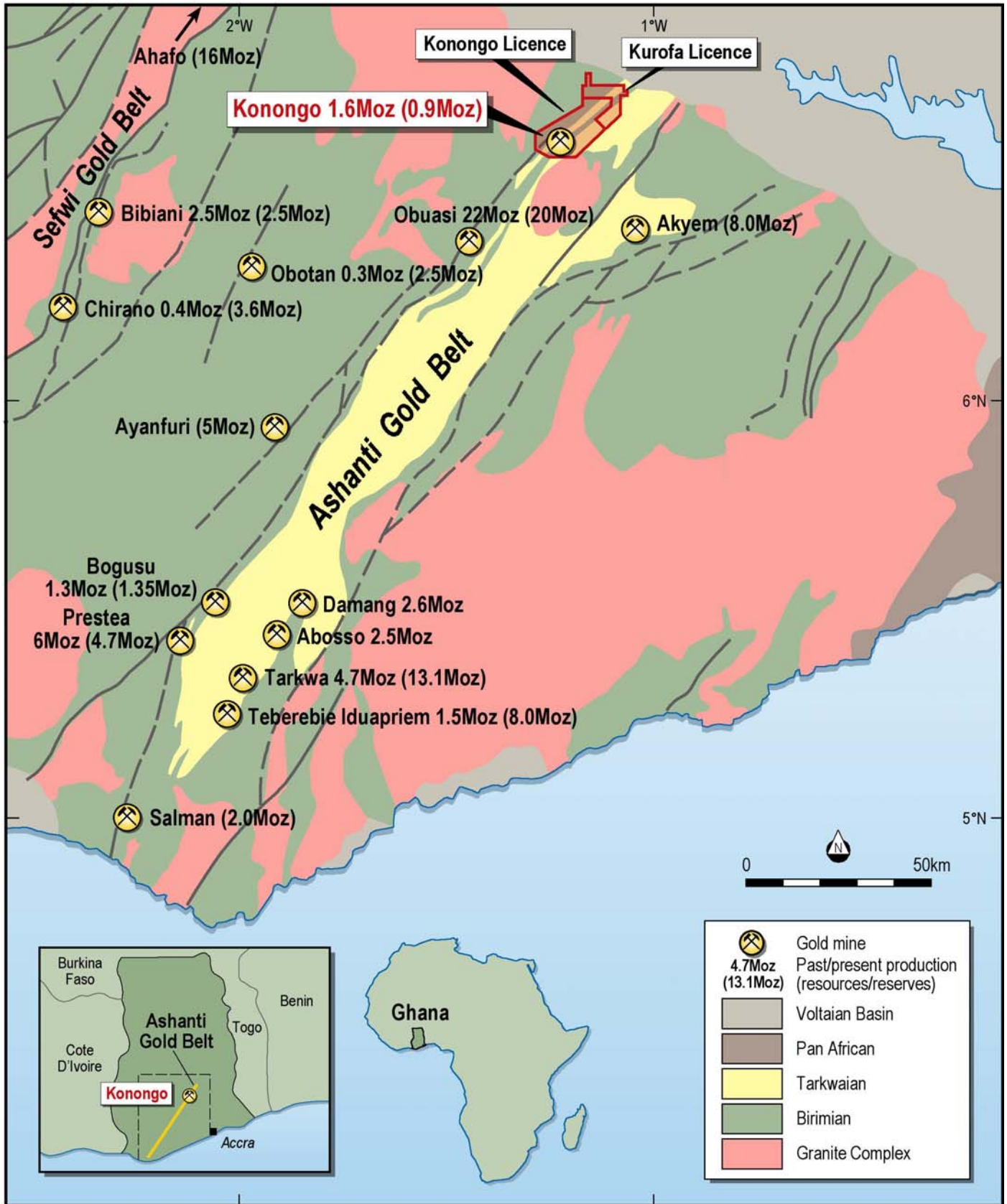


Figure 2. Deposits within the Konongo Gold Project showing development area.

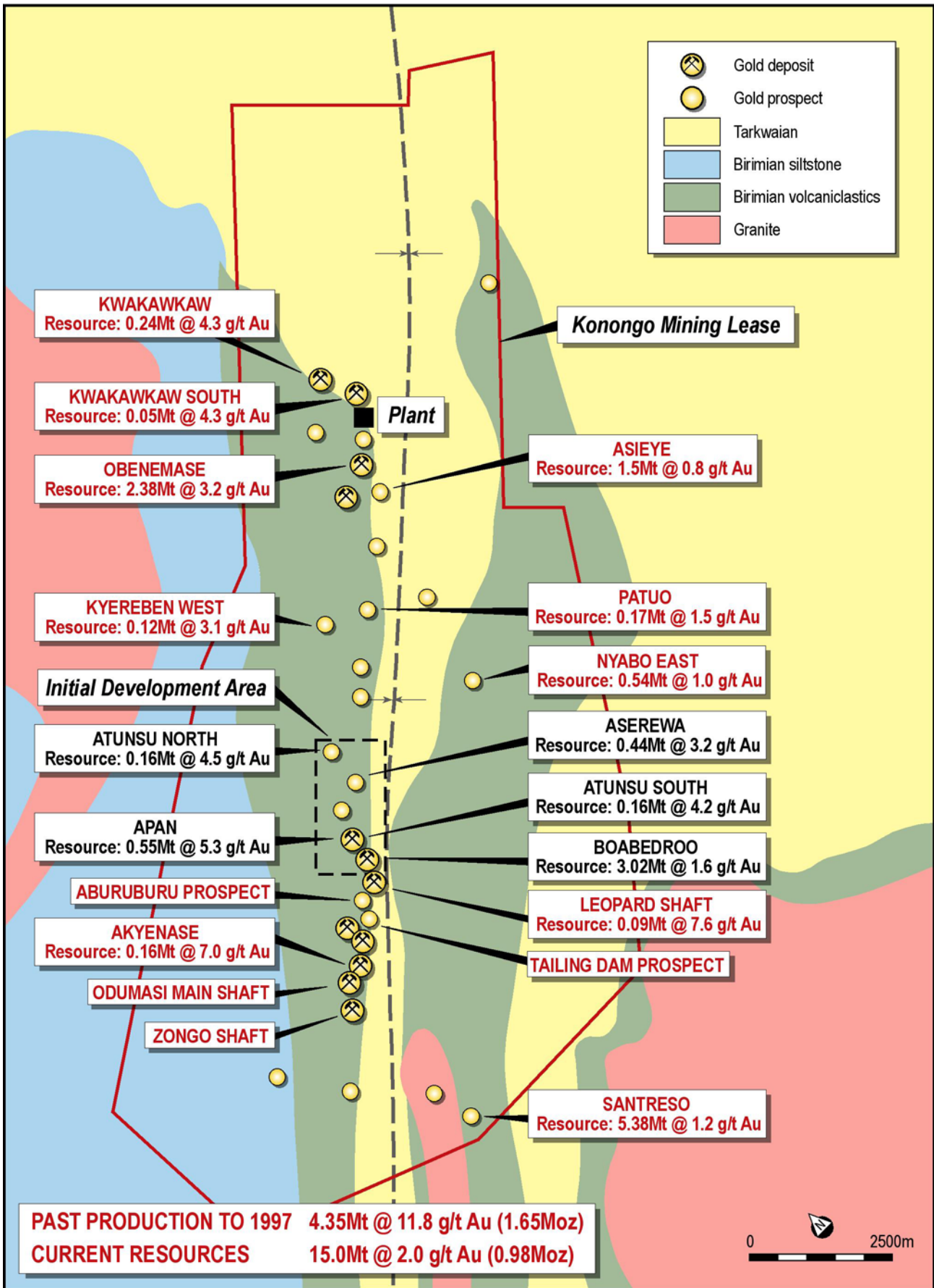


Figure 3. Plan of the Obenemase Deposit showing drill holes and infrastructure.

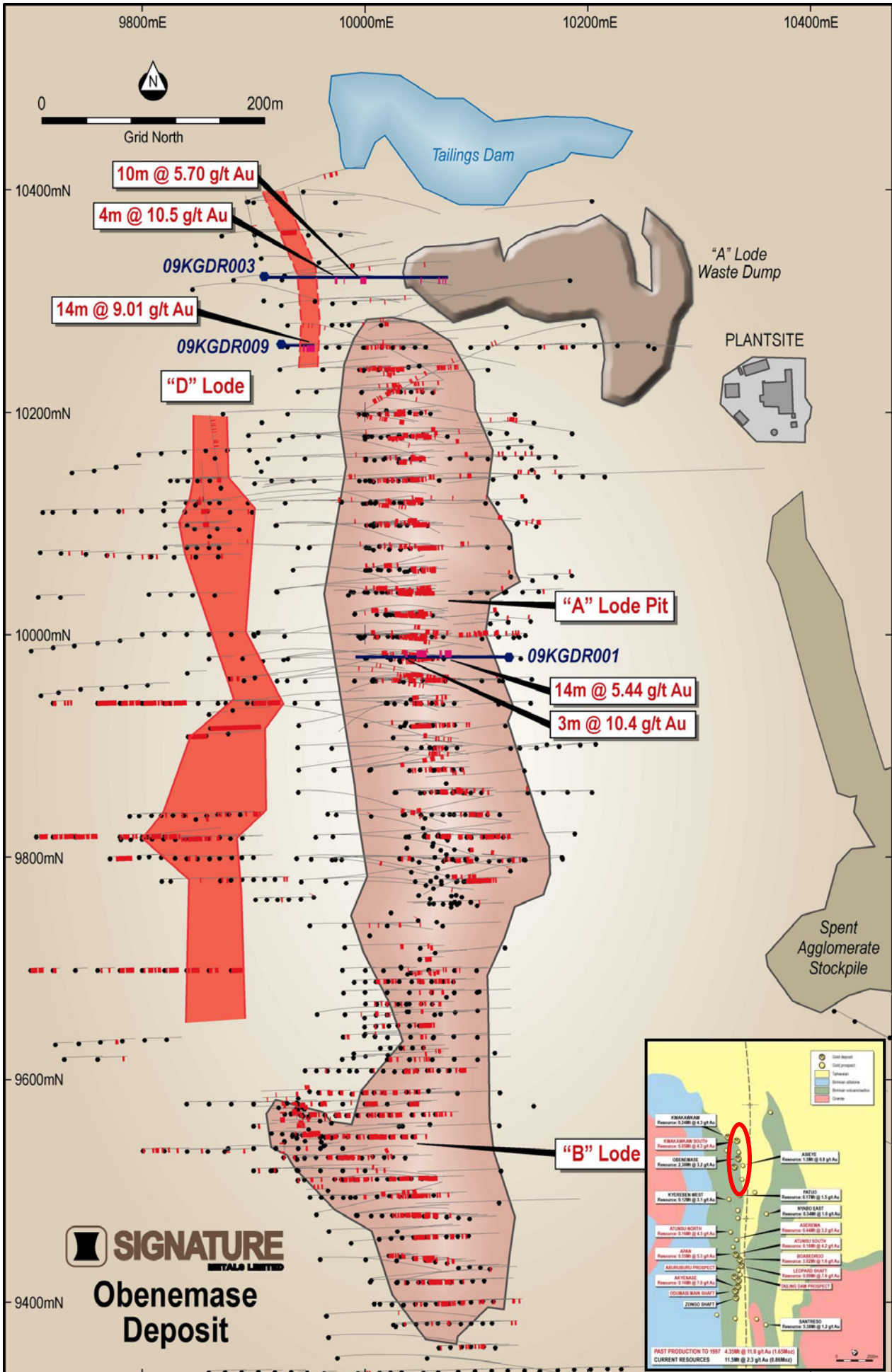


Figure 4 Long Section through the Obenemase Deposit showing drill results to date.

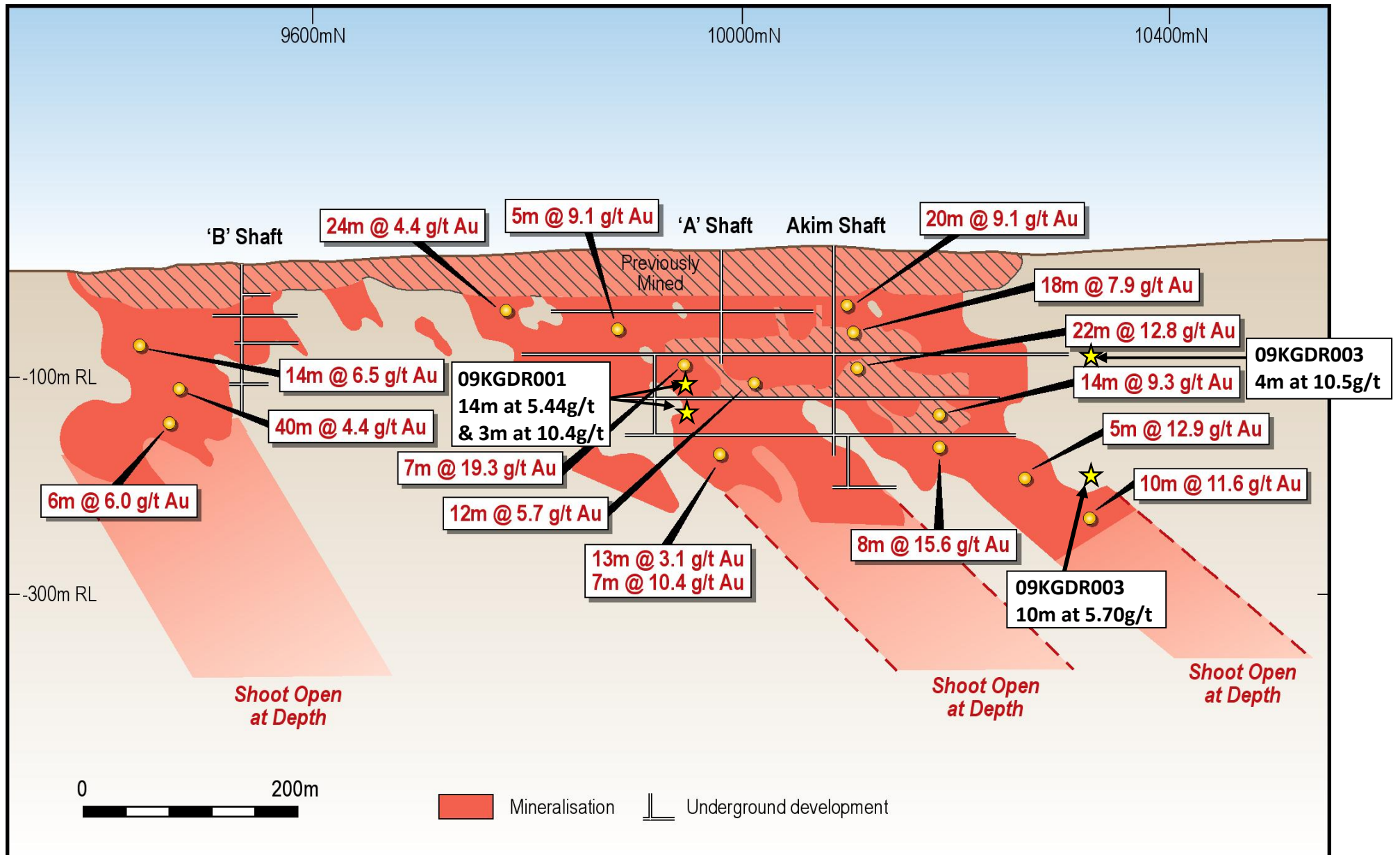


Figure 5. Cross Section 10320mN showing drill hole 09KGDR003

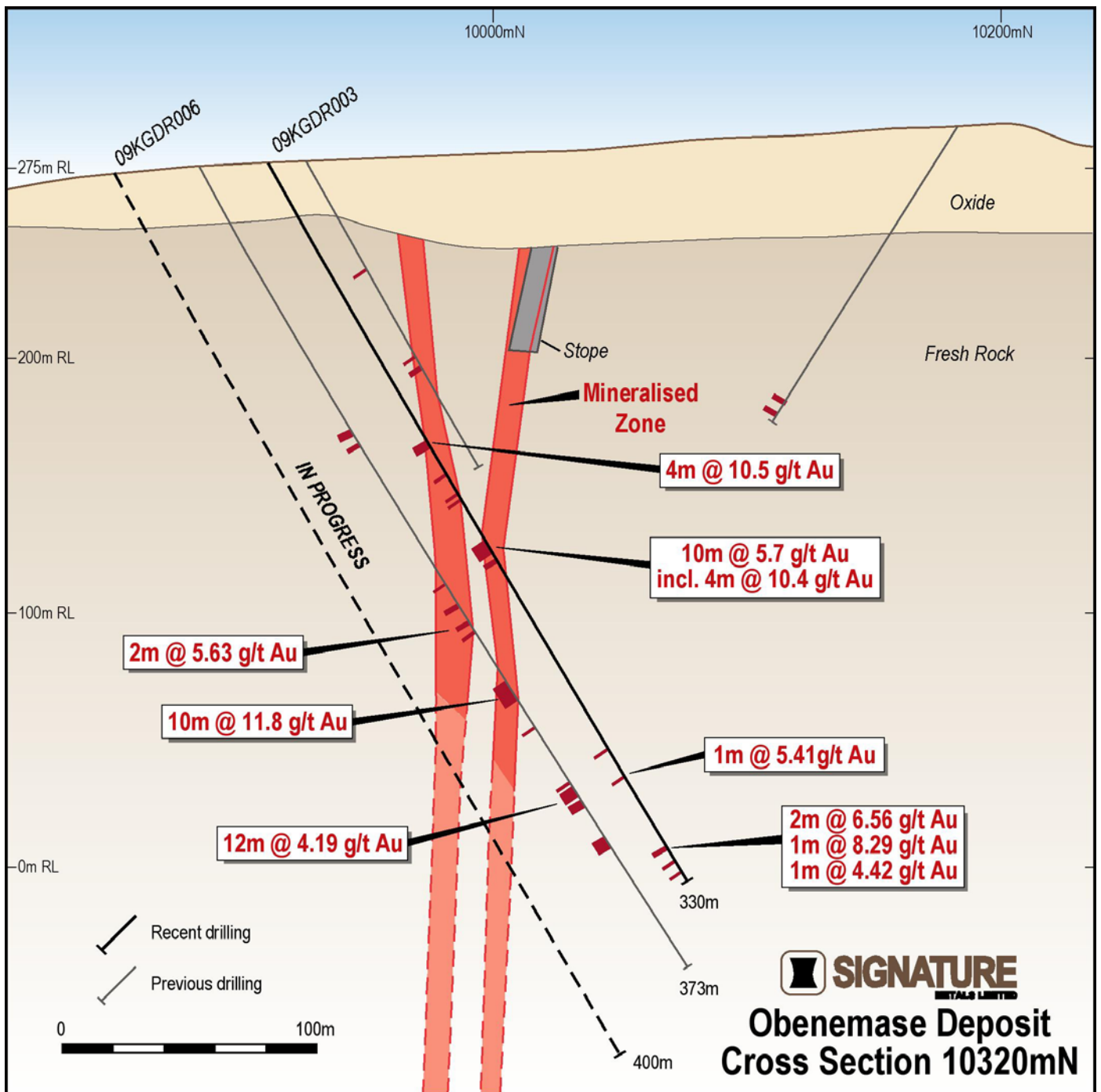


Table 1. Significant Intersections

All intersections > 1m with grade > 1g/t (including up to 2 metres internal waste if present)

| Hole Id | Project Grid | | Total Depth | Dip/ Azimuth | Intercept | | | |
|-----------------------|--------------|----------|-------------|------------------|-----------|-----|-----------------------|--------------|
| | Easting | Northing | | | From | To | Interval | Grade Au g/t |
| 09KGDR001 | 10129 | 9979 | 240 | -55 / 305 | 100 | 101 | 1 | 1.22 |
| | | | | | 105 | 108 | 3 | 2.86 |
| | | | | | 129 | 143 | 14 | 5.44 |
| | | | | <i>including</i> | 129 | 134 | 5 | 9.39 |
| | | | | <i>including</i> | 134 | 148 | <i>stope material</i> | |
| | | | | | 159 | 162 | 3 | 10.4 |
| 09KGDR003 | 9910 | 10321 | 330 | -60 / 125 | 127 | 131 | 4 | 10.5 |
| | | | | | 143 | 144 | 1 | 1,04 |
| | | | | | 173 | 183 | 10 | 5.70 |
| | | | | <i>including</i> | 174 | 178 | 4 | 10.4 |
| | | | | | 281 | 282 | 1 | 5.41 |
| | | | | | 313 | 315 | 2 | 6.56 |
| | | | | | 320 | 321 | 1 | 8.21 |
| | | | | | 325 | 326 | 1 | 4.42 |
| 09KGDR006 | 9850 | 10320 | 243* | -60 / 125 | 43 | 45 | 2 | 1,35 |
| <i>(*in progress)</i> | | | | | 69 | 71 | 2 | 1.28 |
| 09KGDR005 | 9826 | 10410 | 32* | -60 / 125 | 24 | 28 | 4 | 3.32 |
| <i>(*pre-collar)</i> | | | | | | | | |
| 09KGDR009 | 9925 | 10260 | 60* | -60 / 125 | 39 | 42 | 3 | 2.43 |
| <i>(*pre-collar)</i> | | | | | 46 | 60* | 14 | 9.01 |
| | | | | <i>including</i> | 47 | 52 | 5 | 12.3 |
| | | | | <i>including</i> | 55 | 60 | 5 | 10.5 |

Table 2. Resources contained within the Konongo Gold Project

| 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 | | | | 1,297,000 | 3.43 | 143,000 | 1,081,000 | 2.88 | 100,000 | 2,378,000 | 3.18 | 243,000 |
| Asieye | | | | | | | 1,500,000 | 0.80 | 38,581 | 1,500,000 | 0.80 | 38,581 |
| Kwakawkaw | | | | | | | 344,000 | 4.31 | 47,673 | 344,000 | 4.31 | 47,673 |
| Nyabo East | | | | | | | 540,000 | 1.03 | 17,939 | 540,000 | 1.03 | 17,939 |
| Patuo | | | | 43,000 | 1.60 | 2,212 | 122,000 | 1.42 | 5,565 | 165,000 | 1.47 | 7,777 |
| Kyereben West | | | | | | | 124,000 | 3.10 | 12,359 | 124,000 | 3.10 | 12,359 |
| Atunsu North | | | | | | | 164,000 | 4.49 | 26,165 | 164,000 | 4.49 | 26,165 |
| Aserewa | | | | 20,000 | 1.90 | 1,222 | 423,000 | 3.27 | 44,423 | 443,000 | 3.20 | 45,645 |
| Atunsu | | | | 14,000 | 3.10 | 1,395 | 146,000 | 4.32 | 20,275 | 160,000 | 4.21 | 21,670 |
| Apan | | | | 24,000 | 2.50 | 1,929 | 530,000 | 5.46 | 93,121 | 554,000 | 5.34 | 95,050 |
| Boabedroo | | | | 30,000 | 2.82 | 2,720 | 2,985,972 | 1.59 | 152,506 | 3,015,972 | 1.60 | 155,226 |
| Leopard Shaft | | | | | | | 95,000 | 7.55 | 23,071 | 95,000 | 7.55 | 23,071 |
| Akyenase Central | | | | 58,000 | 4.00 | 7,459 | 96,000 | 8.80 | 27,161 | 154,000 | 6.99 | 34,620 |
| Santreso West | | | | 3,520,000 | 1.20 | 135,807 | 810,000 | 1.25 | 32,553 | 4,330,000 | 1.21 | 168,360 |
| Santreso South | | | | | | | 340,000 | 1.16 | 12,682 | 340,000 | 1.16 | 12,682 |
| Santreso East | | | | | | | 700,000 | 1.27 | 28,612 | 700,000 | 1.27 | 28,612 |
| Total | 0 | 0 | 0 | 5,006,000 | 1.84 | 295,744 | 10,000,972 | 2.12 | 682,686 | 15,006,972 | 2.02 | 978,430 |

The Mineral Resource presented in this table has 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 with a 2006 resource update for the Obenemase Deposit and a 2008 resource update for the Boabedroo deposit. 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 Australian 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is the Exploration 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.