

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**SIGNATURE METALS LIMITED**

ABN

86 106 293 190

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(643)	(1,809)
	(b) development	(5,062)	(11,784)
	(c) production	-	-
	(d) administration	(259)	(1,037)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	39	116
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(5,925)</b>	<b>(14,514)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets		
	- Plant and equipment	(537)	(1,117)
	- Plant refurbishment	(2,405)	(7,217)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Security deposits (refundable)	-	-
	Security deposits (refunded)	-	-
	Tenement rehabilitation bonds (refundable)	-	-
<b>Net investing cash flows</b>		<b>(2,942)</b>	<b>(8,334)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(8,867)</b>	<b>(22,848)</b>

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1.13	Total operating and investing cash flows (brought forward)	(8,867)	(22,848)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	5,345	25,790
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Fundraising costs	(390)	(1,654)
	<b>Net financing cash flows</b>	4,955	24,136
	<b>Net increase (decrease) in cash held</b>	(3,912)	1,288
1.20	Cash at beginning of quarter/year to date	8,755	3,682
1.21	Exchange rate adjustments to item 1.20	(49)	(176)
1.22	<b>Cash at end of quarter</b>	4,794	4,794

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$151k
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for serviced office – \$32k  
Directors consulting fees and Directors fees - \$108k  
Re-imbursement for accounting staff at cost - \$11k

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development (including plant refurbishment)	1,300
4.3 Production	3,750
4.4 Administration	250
<b>Total</b>	<b>5,800</b>

The Company anticipates that operating costs for the next quarter will be funded by revenue from gold sales.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,794	7,514
5.2 Deposits at call	-	1,241
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	4,794	8,755

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

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6.2 Interests in mining  
tenements acquired or  
increased

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	2,351,804,534	2,351,804,534		
7.4 Changes during quarter (a) Increases through issues - Placement - Pursuant to a prospectus - Option conversion* - Acquisition of Property (b) Decreases through returns of capital, buy-backs	213,800,810	213,800,810	\$0.025	\$0.025
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> - Shareholder	333,333 333,333 20,000,000 9,000,000 17,000,000		<i>Exercise price</i> \$0.65 \$0.65 \$0.03 \$0.03 \$0.02	<i>Expiry date</i> 14/04/12 14/04/13 28/09/12 14/11/12 31/12/13
- Employee	55,000,000		\$0.015	31/12/12

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7.8	Issued during quarter: - Shareholder				
7.9	Exercised during quarter*				
7.10	Expired during quarter	333,333		\$0.65	14/04/11
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1        This statement has been prepared under accounting policies which comply with  
accounting standards as defined in the Corporations Act or other standards acceptable  
to ASX (see note 4).
- 2        This statement does give a true and fair view of the matters disclosed.

Sign here: .....Scott Funston..... Date: 29 July 2011.....  
(Company Secretary)

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's  
activities have been financed for the past quarter and the effect on its cash position.  
An entity wanting to disclose additional information is encouraged to do so, in a note  
or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in  
mining tenements acquired, exercised or lapsed during the reporting period. If the  
entity is involved in a joint venture agreement and there are conditions precedent  
which will change its percentage interest in a mining tenement, it should disclose the  
change of percentage interest and conditions precedent in the list required for items  
6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in  
items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive  
Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International  
Accounting Standards for foreign entities. If the standards used do not address a topic,  
the Australian standard on that topic (if any) must be complied with.

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