SIGNATURE

METALS LIMITED

ABN 86 106 293 190

Half-year Financial Report

31 December 2012

CORPORATE DIRECTORY

Directors
Mr Soo Khoon Raymond Tan (Non-Executive Chairman)
Dr Denis Edmund Clarke (Non-Executive Director)
Mr Roland Kenneth Selvanayagam (Non-Executive Director)
Mr Peter Chen (Executive Director)

Chief Executive Officer
Mr Chris Gbyl

Company Secretary
Mr Adrian Di Carlo

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Auditors
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Freshwater Place, 2 Southbank Boulevard
SOUTHBANK VIC 3006 Australia

Stock Exchange
Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: SBL

Contents

The interim financial report does not include all of the notes of the type normally in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Signature Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

The directors of Signature Metals Limited submit the half-year financial report of the consolidated entity (referred to hereafter as the Group) consisting of Signature Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

Directors

The following persons were directors of the Group during the whole of the half-year and up to the date of this report:

Mr Soo Khoon Raymond Tan	Non-Executive Chairman (appointed as Non-Executive Chairman 14 September 2012)
Mr Roland Kenneth Selvanayagam	Non-Executive Director

Mr Mark Gillie was a Non-Executive director from the beginning of the financial year until his resignation on 30 September 2012.
Mr Theo Christodoulou was an Alternate Director from the beginning of the financial year until his resignation on 30 September 2012.
Mr Bill Oliver was a Non-Executive Director from the beginning of the financial year until his resignation on 2 October 2012.
Ms Choy Yin Wong was an Executive Director from the beginning of the financial year until her resignation on 1 November 2012.
Dr Denis Edmund Clarke was appointed as a Non-Executive Director on 14 September 2012 and continues in office at the date of this report.
Mr Peter Chen was appointed as a Non-Executive Director on 3 October 2012 and was appointed as Executive Director on 1 November and continues in office at the date of this report.

Results

The loss after tax for the half year ended 31 December 2012 was $230,226 (31 December 2011 loss of $488,965).

Review of Operations

The Konongo Gold Project contains 16 known gold deposits along 12 kilometres of strike along the Ashanti Gold Belt in Ghana.

OPERATIONS

During the half year period the Group continued with trial mining and plant scale trials of oxide ore treatment through the gold processing plant at the Konongo Project. Production for the half year to December 2012 comprised 5,133 ounces of gold dore shipped from the Project. In the half year to 31st December 2012 gold sales totalled $8.5 million.

Over 136,000 tonnes of ore were processed in the half year to 31st December 2012. In general daily throughput was lower in the December Quarter than in the September quarter due to the impact of rainfall in the deeper pits, the requirement for increased in-pit grade control and the inability to identify and fast-track the development of additional oxide trial mining areas reducing the availability and flexibility of ore supply to the processing plant. Production for the half year is summarised in the table below:

Summary	September Qtr	December Qtr
Tonnes processed	70,104	66,770
Rate (tonnes / day)	762	726
Availability	88%	92%
Grade Processed	1.79	1.58
Gold Recovery	77%	75%
Ounces Produced	2,903	2,230

MINING

The Group continued open pit trial mining in the Atunsu North Deposit continuing deeper into the pit during the half year period. Trial mining also commenced in the Boabedroo South Extended Deposit. Ore from these deposits was supplemented during the December quarter with the treatment of 30,701 tonnes of tailings from the South Shaft and from material purchased from local small scale concession holders.

The requirement for increased in-pit grade control did provide a higher grade of ore mined in the December 2012 quarter with better grade selection, however, this was not enough to offset the reduced tonnages available to be mined and this impacted on overall production.

In the short term, the Group remains focused on the discovery, delineation and development of additional near surface deposits to provide oxide ore to the processing plant. With decreasing levels of ore availabile, development of further open pit operations has not therefore proven to be justifiable. As a result, open pit trial mining has been suspended in the interim. The group's other primary focus continues to be a more aggressive regional exploration program for near-surface oxide mineratlisation on the world-class Ashanti Shear in parallel with a deeper exploration drilling program to evaluate the potential for higher grade sulphide mineralisation at depth.

EXPLORATION

During the half-year period the Group focused on the discovery and delineation of oxide mineralisation in and close to known deposits and generation of new targets more distant from known deposits. The oxide mineralisation focus used both Aircore (AC) and Reverse Circulation (RC) drilling programs. During the half-year 389 AC holes and 125 RC holes were completed. The generation of new targets was assisted by the continuation of multi-element soil geochemical surveys, reprocessing of existing geophysical data and the use of trenching as an exploration tool. The programs were successful in generating compelling targets for follow-up by further trenching, AC and RC drilling.

CORPORATE

The Group announced the appointment and resignation of directors during the half year period and the cessation of the arrangement under which Stellar Services Ltd provided management services to the Group at the Konongo project.

The Group entered into an unsecured loan facility of up to US$11 million with LionGold Corp in July 2012. The Group has continued to draw down on this facility throughout the half year period.

On 17 December the Group announced the appointment of Mr Chris Gbyl as Chief Executive Officer of the Group with effect from 1 January 2013.

At 31st December the Group had $1,788,650 in cash and cash equivalents.

Significant Transactions

On 27 July 2012 the Group announced that it had entered into a loan facility up to US$11 million with its 76% shareholder LionGold Corp Ltd. The loan is non-trade, unsecured and not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years.

On 11 March 2013 the Group announced that it had amended the loan from its 76% shareholder LionGold Corp Ltd to increase the facility to US$50,000,000. Funds drawn under the facility will be used to fund the more aggressive exploration program for near-surface oxide mineralisation and a deeper exploration drilling program that will evaluate the higher grade sulphide mineralisation. Funds will also be allocated to the suspension of trial mining and the consequential retrenchment of some of the operational workforce.

Results of the Annual General Meeting held on 23 November 2012, quarterly reports and other announcements can be found on the website of the group at www.signaturemetals.com.au.

Subsequent Events

On 15 January 2013 the Company announced the appointment of PricewaterhouseCoopers as the Group's auditor, following the Australian Securities and Investments Commission's ("ASIC") consent to the resignation of Ernst and Young.

The Group also advised that it was changing its financial year end from 30 June to 31 March, effective from 1 July 2012. The next annual report will be for the nine months ending 31 March 2013.

On 30 January 2013 the Group announced that it was proceeding with a technical Life of Mine Study at the Konongo Gold Project, of which Signature Metals holds 70% and which is designed to accelerate the assessment of the underground mining potential of the Konongo Gold Project. Commensurate with this effort, exploration activities in key prospective zones were stepped up at the beginning of January 2013. While exploration drilling results have been encouraging, further development of open pit operations has not proven justifiable. The shift in strategy to one of accelerating exploration efforts to identify near-surface oxide ore and to test the large potential of the deeper sulphide mineralisation saw trial mining suspended in the interim and the consequential retrenchment of some of the operational workforce.

As advised in Significant Transactions, LionGold Corp Ltd increased the unsecured loan facility to Signature Metals to US$50,000,000.

There have been no other significant events subsequent to the half-year to the date of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act* is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Mr Soo Khoon Raymond Tan
Non- Executive Chairman

Melbourne, Victoria
15 March 2013

Auditor's Independence Declaration

As lead auditor for the review of Signature Metals Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Signature Metals Limited and the entities it controlled during the period.

Amanda Campbell
Partner
PricewaterhouseCoopers

Melbourne
15 March 2013

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Consolidated Statement of Comprehensive Income
for the half-year ended 31 December 2012

	2012 $	2011 $
Interest income	1,512	23,439
Other income	-	19,577
Administrative expenses	(204,858)	(121,600)
Listing and share registry expenses	(24,225)	(54,387)
Accounting and audit expenses	(20,066)	(31,283)
Consulting fees	(12,473)	(68,665)
Legal fees	(83,338)	(69,860)
Foreign exchange gain / (loss)	236,700	(99,415)
Directors and employees benefits	(105,359)	-
Expense from remeasuring the contingent consideration from Owere Mines acquisition	-	(85,828)
Finance cost	(18,120)	-
Other	-	(943)
Loss from continuing operations before income tax	**(230,227)**	**(488,965)**
Income tax expense	-	-
Loss for the half-year	**(230,227)**	**(488,965)**
Other Comprehensive loss that may be reclassified to profit and loss:		
Foreign currency translation difference	(135,260)	(1,057,293)
Other comprehensive loss for the half-year	**(135,260)**	**(1,057,293)**
Total comprehensive loss for the half-year	**(365,487)**	**(1,546,258)**
Loss for the half-year is attributable to:		
Owners of Signature Metals Limited	(252,459)	(442,065)
Non-controlling interest	22,232	(46,900)
	(230,227)	**(488,965)**
Total comprehensive loss for the half-year is attributable to:		
Owners of Signature Metals Limited	(451,101)	(1,499,710)
Non-controlling interest	85,614	(46,548)
	(365,487)	**(1,546,258)**
Loss per share attributable to owners of Signature Metals Limited		
Basic and diluted loss per share (cents per share)	(0.01)	(0.02)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2012

	Note	31 December 2012 $	30 June 2012 $
Assets			
Current Assets			
Cash and cash equivalents		1,788,650	996,706
Trade and other receivables		565,649	1,695,933
Inventories		771,591	672,020
Total Current Assets		**3,125,890**	**3,364,659**
Non-Current Assets			
Trade and other receivables		2,809,766	1,671,087
Property, plant and equipment	5	9,547,531	8,057,856
Mineral Properties in development	6	-	26,139,399
Reclamation bond		193,643	197,693
Exploration, evaluation and development expenditure	7	34,471,367	-
Total Non-Current Assets		**47,022,307**	**36,066,035**
Total Assets		**50,148,197**	**39,430,694**
Current Liabilities			
Trade and other payables	8	9,073,429	8,609,224
Interest bearing loan	8	462,391	469,454
Provisions	8	233,790	211,678
Total Current Liabilities	8	**9,769,610**	**9,290,356**
Non-Current Liabilities			
Other payables	9	12,382,310	1,778,574
Total Non-Current Liabilities		**12,382,310**	**1,778,574**
Total Liabilities		**22,151,920**	**11,068,930**
Net Assets		**27,996,277**	**28,361,764**
Equity			
Equity attributable to equity holders of the parent			
Issued capital	4	60,195,661	60,195,661
Reserves		(3,712,430)	(3,513,788)
Accumulated losses		(26,734,320)	(26,481,861)
Parent equity		**29,748,911**	**30,200,012**
Non-controlling interest		(1,752,634)	(1,838,248)
Total Equity		**27,996,277**	**28,361,764**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2012

	Consolidated								
	Issued capital $	Accumulated Losses $	Share-Based Payments Reserve $	Option Reserve $	Foreign Currency Translation Reserve $	Contingent Consideration Reserve $	Owners of the Parent $	Non-controlling Interest $	Total $
Balance at 1 July 2012	**60,195,661**	**(26,481,861)**	**3,811,159**	**550**	**(7,839,901)**	**514,404**	**30,200,012**	**(1,838,248)**	**28,361,764**
Loss for the half-year	-	(252,459)	-	-	-	-	(252,459)	22,232	(230,227)
Other comprehensive income	-	-	-	-	(198,642)	-	(198,642)	63,382	(135,260)
Total comprehensive income for the half-year	**-**	**(252,459)**	**-**	**-**	**(198,642)**	**-**	**(451,101)**	**85,614**	**(365,487)**
Transactions with owners in their capacity as owners									
Equity issued by placement	-	-	-	-	-	-	-	-	-
Costs of issue	-	-	-	-	-	-	-	-	-
Balance at 31 December 2012	**60,195,661**	**(26,734,320)**	**3,811,159**	**550**	**(8,038,543)**	**514,404**	**29,748,911**	**(1,752,634)**	**27,996,277**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2012

	Issued capital $	Accumulated Losses $	Share-Based Payments Reserve $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Contingent Consideration Reserve $	Owners of the Parent $	Non-controlling Interest $	Total $
Balance at 1 July 2011	**54,364,393**	**(25,253,722)**	**3,811,159**	**550**	**(3,368,436)**	**514,404**	**30,068,348**	**688,225**	**30,756,573**
Loss for the half-year	-	(442,065)	-	-	-	-	(442,065)	(46,900)	(488,965)
Other comprehensive loss	-	-	-	-	(1,057,645)	-	(1,057,645)	352	(1,057,293)
Total comprehensive income for the half-year	**-**	**(442,065)**	**-**	**-**	**(1,057,645)**	**-**	**(1,499,710)**	**(46,548)**	**(1,546,258)**
Transactions with owners in their capacity as owners									
Equity issued by placement	5,291,560	-	-	-	-	-	5,291,560	-	5,291,560
Costs of issue	(281,280)	-	-	-	-	-	(281,280)	-	(281,280)
Balance at 31 December 2011	**59,374,673**	**(25,695,787)**	**3,811,159**	**550**	**(4,426,081)**	**514,404**	**33,578,918**	**641,677**	**34,220,595**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2012

	2012 $	2011 $
Cash flows from operating activities		
Payments to suppliers and employees	(224,622)	(129,356)
Interest received	1,512	23,439
Net cash flows used in operating activities	**(223,110)**	**(105,917)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,947,909)	(1,671,942)
Proceeds from gold sales during trial mining	8,486,992	3,933,000
Payments for exploration, evaluation and development expenditure	(14,762,004)	(11,832,406)
Net cash used in investing activities	**(8,222,921)**	**(9,571,348)**
Cash flows from financing activities		
Proceeds from borrowings and advances	9,198,795	-
Proceeds from issue of shares	-	5,291,560
Payments for share issue costs	-	(57,917)
Net cash from financing activities	**9,198,795**	**5,233,643**
Net (decrease)/increase in cash and cash equivalents	**752,764**	**(4,443,622)**
Cash and cash equivalents at beginning of period	996,706	4,794,068
Effects of exchange rate fluctuations on cash held	39,180	(99,414)
Cash and cash equivalents at the end of the period	**1,788,650**	**251,032**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The general purpose condensed financial report of Signature Metals Limited (the Company) and its controlled entities ("the Group" or "the Consolidated entity") for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 14th March 2013.

Signature Metals Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Directors Report.

Basis of Preparation

This general purpose condensed consolidated interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The condensed consolidated interim financial report does not include all notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Signature Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going concern

The half-year financial report has been prepared on a going concern basis, which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

During the half-year ended 31 December 2012, the consolidated entity incurred net losses of $230,227 (2011: $488,965), of which $252,459 (2011: $442,065) was attributable to the owners of Signature Metals. Total comprehensive loss for the half year attributable to the owners of Signature Metals was $451,101 (2011: $1,499,710).

At 31 December 2012, the consolidated entity had a working capital deficit of $6,643,720 (June 2012: $5,925,697) and net assets of $27,996,277 (June 2012: $28,361,764). The cash position of the Group at 31 December 2012 was $1,788,650 (June 2012: $996,706).

In July 2012 the Company announced via an ASX Release that it had entered into an unsecured loan facility agreement with the 76% shareholder LionGold Corp Ltd for US$11,000,000, available for a period of at least 5 years. Working capital funds were drawn down under this facility during the course of the half year. On 11 March 2013 the group announced an increase to the loan facility to US$50,000,000 under the same repayment terms and conditions. Funds drawn under the facility will be used to fund the more aggressive exploration program for near-surface oxide mineralisation and a deeper exploration drilling program that will evaluate the higher grade sulphide mineralisation. Funds will also be allocated to the suspension of trial mining and the consequential retrenchment of some of the operational workforce.

On 30 January 2013, the group announced that it was proceeding with a technical Life of Mine Study at the Konongo Gold project to accelerate the assessment of the underground mining potential. Commensurate with this effort, exploration activities in key prospective zones will be stepped up at the beginning of January 2013. While exploration drilling results have been encouraging, further development of open pit operations has not proven justifiable. The shift in strategy to one of accelerating exploration efforts to identify near-surface oxide ore and to test the large potential of the deeper sulphide mineralisation, will see trial mining suspended and the consequential retrenchment of some of the operational workforce. The Konongo Gold Project is owned by Owere Mines Limited, the Ghanaian company in which Signature Metals holds 70% equity.

The ability of the consolidated entity to continue as a going concern is dependent upon the availability of funding under the US$50 million loan facility provided by LionGold Corp Ltd to continue funding exploration activities and sustaining expenses. LionGold Corp Ltd intends to fund the loan facility through existing cash reserves and capital rising if required. The ability of the Company being able to repay this loan to LionGold Corp Ltd is dependent on future mining success or refinancing.

On the basis outlined above, the Directors believe the Group can meet all liabilities as and when they fall due and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be successful in securing funds through the financial support from LionGold Corp Ltd. Should LionGold Corp not be able to provide sufficient financial support, there is material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability or classification of recorded assets nor to the amounts or classifications of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

NOTE 2: SEGMENT REPORTING

For management purposes, the Company is organised into one main operating segment, which involves mining and exploration for gold and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. The accounting policies used in reporting segments internally are the same as those contained in note 1 to the accounts.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires directors and management to make evaluations, estimates and judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions. Estimate and judgements are continually evaluated and are based on historical knowledge, best available current information based on current trends and economic data obtained both externally and within the group including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is changed and in any future periods affected.

The Group has identified the following critical accounting policies under which significant judgements, estimates and assumptions are made, and where actual results may differ from these estimates under different assumptions and conditions that could materially affect financial results or financial position reported in future periods.

(a) Carrying value of Mineral Properties in Development and Property, plant and equipment

At each reporting date, the group assesses impairment of all assets by evaluating conditions specific to the Group and to the particular assets that may lead to impairment. The recoverable amount of each Cash Generating Unit (CGU) is determined as the higher of value-in-use and fair value less costs to sell. Value-in-use is generally determined as the present value of the estimated future cash flows.

The Company has determined that Konongo Gold Project to be a single cash generating unit (CGU).

In January 2013, the company suspended trial mining and batch processing activities at Konongo Project to focus on further exploration activities. It is currently impracticable to estimate future cash flows, as key assumptions relating to reserves and resources that in turn drive production estimates are yet to be established. However, the directors believe that these costs can be recovered through the successful development of the Konongo Project or sale and are carrying the assets on that basis.

The directors have decided to reclassify Mine Properties in Development of $34,471,367 to Exploration and Evaluation assets on the basis that technical feasibility and commercial viability is not yet demonstrable. The directors believe this will result in more meaningful presentation of the Konongo Project assets as additional exploration and evaluation activities are required to obtain more information about the existence, or otherwise, of economically recoverable reserves.

On 31 January the Company announced its commitment to an exploration programme that will be funded by LionGold Corp Ltd as outlined in Note 1. Should LionGold Corp not be able to provide sufficient financial support, there is material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Exploration and Evaluation

Exploration and evaluation expenditure incurred is accumulated at cost in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written-off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward capitalised costs in relation to that area of interest.

Exploration and Evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

(c) Mineral Resources and Ore Reserves

The group estimates Mineral Resources and Reserves based on information compiled by competent persons (as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as revised December 2004 (the JORC code). Resources , if applicable, determined in this way are taken into account in the calculation of impairment, mining properties and rehabilitation expenditure.

The Konongo Gold Project has Inferred and Indicated Mineral Resources, Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues. There has been insufficient exploration to define these Inferred Mineral Resources as Indicated Mineral Resources or the Indicated Mineral Resources as Measured Mineral Resource as there is insufficient close-spaced drill hole data to adequately define grade and geological continuity for this structurally complex deposit. It is uncertain if further exploration will result in upgrading the Inferred Mineral Resource to an Indicated or Measured Mineral Resource category or to Ore Reserves.

The determination of Mineral Resources and mine life affects the Group's financial results and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

(d) Rehabilitation and Mine Closure Provisions

During the course of the reporting period, the Group has continued to perform incremental rehabilitation of tenement areas at the Konongo Gold Project. The Group is currently undertaking a process to establish rehabilitation and mine closure plan which will form the basis of future estimates of rehabilitation and mine closure provisions.

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 December 2012 $	30 June 2012 $
Ordinary shares		
Issued and fully paid	60,195,661	60,195,661

	2012		2011	
	Number of shares	$	Number of shares	$
Movements in ordinary shares on issue				
At 1 July	2,759,575,214	60,195,661	2,351,804,534	54,364,393
Placement at $0.015	-	-	352,770,680	5,291,560
Costs of issue	-	-	-	(281,280)
At 31 December	**2,759,575,214**	**60,195,661**	**2,704,575,214**	**59,374,673**

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 December 2012 $	30 June 2012 $
Carrying amount at the beginning of period	8,057,856	8,503,980
Foreign exchange difference	(58,874)	(1,618,097)
Additions	1,947,909	1,336,503
Depreciation	(399,360)	(164,530)
Carrying amount at the end of period	9,547,531	8,057,856

The increase in the property, plant and equipment relates to the ongoing refurbishment of the processing plant, extension of the existing Tailings Storage Facility and upgrading of the bungalow style accommodation onsite.

NOTE 6: MINERAL PROPERTIES IN DEVELOPMENT

	Consolidated	
	31 December 2012 $	30 June 2012 $
Carrying amount at the beginning of period	26,139,399	-
Transfer from Deferred Exploration, Evaluation And Development Expenditure at 1 July 2011	-	18,447,068
Transfer to Exploration and Evaluation Expenditure 31 December 2012	(34,471,367)	-
Foreign exchange difference	93,030	(1,630,872)
Expenditure during the period	16,725,931	23,175,587
Revenue from sale of gold	(8,486,992)	(13,852,384)
Carrying amount at the end of period	-	26,139,399

The recoverability of the carrying amount of the Exploration and evaluation of mineral properties in development is dependant on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. In January 2013 the Group announced that the mining and processing operations would be suspended at the Konongo Gold Project and during the first quarter of 2013 would be placed on care and maintenance while the group focuses efforts on accelerating exploration in key prospective areas.

During the period Mineral Properties in Development expenditure was reclassified to Exploration, Evaluation and Development expenditure.

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2012 $	30 June 2012 $
Carrying amount at the beginning of period	-	18,447,068
Expenditure during the period	-	-
Transfer to Mineral Properties in Development at 1 July 2012	-	(18,447,068)
Transfer from Mineral Properties in Development at 31 December 2012	34,471,367	-
Carrying amount at the end of period	34,471,367	-

During the period, Mineral Properties in Development expenditure was reclassified to Exploration and Evaluation expenditure. Refer to Note 3.

The recoverability of the carrying amount of Exploration and Evaluation expenditure is dependent on further exploration and review. The determination of Mineral Resources, Exploration Targets and mine life affects the Group's financial results and financial position including asset carrying values impacted by estimated future cash flows, depreciation and amortisation charges, impairment and rehabilitation provision.

NOTE 8: CURRENT LIABILITIES

	Consolidated	
	31 December 2012 $	**30 June 2012 $**
Trade Payables	3,460,304	1,982,927
Other Payables	1,857,291	1,588,900
Unsecured Loan Facility	3,755,834	5,037,397
Trade and Other Payables	9,073,429	8,609,224
Interest Bearing Loan	462,391	469,454
Provisions	233,790	211,678
Total Current Liabilities	9,769,610	9,290,356

In March 2012 the group entered into a loan agreement with a 1 year maturity. At 31 December the loan value was $462,391 (June 2012: $469,454).

In July 2012 the group announced the entry into an unsecured loan facility with its 76% shareholder, LionGold Corp Ltd. LionGold agreed to provide advances to the group for working capital purposes to a value of US$11,000,000. Subsequent to the balance date, a further announcement was made to the market advising that the unsecured loan facility has been increased to US$50,000,000. Funds drawn under the facility will be used to fund the more aggressive exploration program for near-surface oxide mineralisation and a deeper exploration drilling program that will evaluate the higher grade sulphide mineralisation. Funds will also be allocated to the suspension of trial mining and the consequential retrenchment of some of the operational workforce. At 31 December 2012, the Group had drawn down $14,359,570.23. As the agreement regarding the extension of the unsecured loan facility was not reached until March 2013, an amount of $3,755,834 of the total drawdown has been classified as current.

NOTE 9: NON-CURRENT LIABILITIES

	Consolidated	
	31 December 2012 $	**30 June 2012 $**
Financial liability arising under asset purchase agreement	1,778,574	1,778,574
Unsecured Loan facility	10,603,736	-
Total Non-Current Liabilities	12,382,310	1,778,574

Financial Liability Arising under Asset Purchase Agreement

The Group recognised the financial liability arising under the asset purchase agreement to purchase 70% of the Konongo Gold Project. The deferred consideration is recognised as a financial liability at amortised costs at an effective interest rate of 12% to be paid in 2016.

Unsecured Loan Facility

In July 2012 the group announced the entry into an unsecured loan facility with its 76% shareholder, LionGold Corp Ltd. LionGold agreed to provide advances to the group for working capital purposes to a value of for the half-year ended 31 December 2012 of US$11,000,000. The loan is non-trade, unsecured and not repayable before 5 years, except in limited circumstances, with interest at 6% only commencing after 3 years.

Subsequent to the balance date, a further announcement was made to the market advising that the unsecured loan facility has been increased to US$50,000,000. All other terms regarding interest and repayment terms remain unchanged.

NOTE 10: COMMITTMENTS

There are no changes to the commitments disclosed in the most recent annual financial report.

NOTE 11: DIVIDENDS

No dividends have been paid or provided for during the half-year.

NOTE 12: CONTINGENT LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 13: SUBSEQUENT EVENTS

On 15 January it was announced that the group was changing its financial year end from 30 June to 31 March, effective from 1 July 2012. The next annual report will be for the nine month period ending 31 March 2013.

On 30 January the Group announced that it was proceeding with a technical Life of Mine Study at the Owere Mine, the Ghanaian company of which Signature Metals holds 70% was to accelerate the assessment of the underground mining potential of the Konongo Gold Project. Commensurate with this effort, exploration activities in key prospective zones were stepped up at the beginning of January 2013. While exploration drilling results have been encouraging, further development of open pit operations has not proven justifiable. The shift in strategy to one of accelerating exploration efforts to identify near-surface oxide ore and to test the large potential of the deeper sulphide mineralisation saw trial mining suspended in the interim and the consequential retrenchment of some of the operational workforce.

On 11 March the Group announced that it had amended the loan from its 76% shareholder LionGold Corp Ltd to increase the facility to US$50,000,000. Funds drawn under the facility will be used to fund the more aggressive exploration program for near-surface oxide mineralisation and a deeper exploration drilling program that will evaluate the higher grade sulphide mineralisation. Funds will also be allocated to the suspension of trial mining and the consequential retrenchment of some of the operational workforce.

There have been no other significant events subsequent to the half-year to the date of this report.

DIRECTORS' DECLARATION

In the opinion of the directors of Signature Metals Limited:

1. The financial statements and notes, as set out on pages 8 to 20, are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that Signature Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

Soo Khoon Raymond Tan
Non-Executive Chairman

Melbourne, Victoria
14 March 2013

Independent auditor's review report to the members of Signature Metals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Signature Metals Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Signature Metals Limited Group (the consolidated entity). The consolidated entity comprises both Signature Metals Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Signature Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Signature Metals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 and Note 3(a) in the financial report, which indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset, or to the settlement values and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

PricewaterhouseCoopers

PricewaterhouseCoopers

ACampbell

Amanda Campbell
Partner

Melbourne
15 March 2013