



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**

4 March 2013



Dear Shareholder

**Sale of unmarketable parcels**

***This Notice contains important information about your shareholding in Signature Metals Limited and requires your immediate attention.***

Signature Metals Limited ('Signature' or 'the Company') has 1,872 shareholders on its share register. Of these, 995 hold parcels which have a value of \$500 or less, being 100,000 shares based on the closing price of the Company's shares on the ASX on 26 February 2013 of **\$0.005**, which is an unmarketable parcel of shares as defined by the Australian Securities Exchange ('ASX') Listing Rules.

Our records show that you are the holder of shares in Signature. At the date of this Notice, your holding constitutes an unmarketable parcel of shares. A shareholder who holds an unmarketable parcel is described as a 'Minority Member'.

ASX Listing Rule 15.13 and Rule 3 of Signature's Constitution empowers the Company to sell any unmarketable parcels of shares recorded on the register of members as at a relevant date on behalf of Minority Members subject to complying with the terms of the Constitution and the ASX Listing Rules.

If the market value of your shareholding remains less than \$500 as at the close of business on 13 May 2013, your shares will, subject to the terms and conditions in this Notice, be sold and the proceeds from the sale remitted to you, ***unless you notify us otherwise.***

***If you have no objection to your shares being sold, you need take no action.***

***If you wish to retain your shares, please notify us of your objection, by following the share retention procedure set out below.***

Ultimately, it is your choice and you may elect to maintain your shareholding.

**Rationale for the sale of unmarketable parcels**

The cost of maintaining shareholder accounts can be disproportionately high when compared with the value of small shareholdings. By implementing the unmarketable parcel sale process, the Company will reduce administration and share registry costs such as producing and distributing shareholding statements, annual reports, notices of meeting and other communications. In addition, this arrangement gives Minority Members a convenient and cost effective opportunity to divest their holdings without incurring any brokerage or other fees.

**You need do nothing unless you wish to retain your shares.**

To retain your shares you must complete the enclosed 'Share Retention Form' and return it in the enclosed self-addressed envelope so that it is received by the Company no later than **5.00pm (AEST) on 2 May 2013**, which is the end of the required 6 week notice period. The Company will conduct a final, shorter notice period after this date (collectively, 'Notice Period').

The Company has nominated 13 May 2013 as the 'Closing Date'. If the market value of your shares increases during the Notice Period, due to an increase in the share price of Signature shares, so that your shares are no longer worth less than \$500 on the Closing Date, the Company will not sell your shares. Alternatively, if you increase your holding of shares during the Notice Period such that the holding has a value of \$500 or more; the Company will not sell your shares. If you sell your shares prior to the end of the Notice Period, no further action will be taken.

Forms can be returned by post to GPO Box 52 Melbourne Victoria 3001 Australia.

**Sale process of unmarketable parcels**

The Company has determined that the minimum sale price in accordance with the Company's Constitution is **\$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.

If you do nothing (i.e., if you do not return a completed Share Retention Form and your shareholding remains valued at less than \$500), your shares will be sold as soon as practicable following the Closing Date. Computershare Registry Services Pty Limited ('Computershare') will manage the sale process.

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 the 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; or
- (c) The volume weighted average price of Signature shares over the ten trading days prior to the day after the Closing Date (collectively, the 'Offer Prices').

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. The amount paid to Minority Members for each share sold will be the highest of the Offer Prices after the Closing Date ('Sale Consideration'). 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.

Signature has accepted this offer from LGC in accordance with its power to sell the shares held by Minority Members under its 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
- in the event that the Sale Consideration is more than A\$300,000 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 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.

***If you do not wish your shares to be sold on the basis of the offer from LGC, please notify us of your intention to opt out of the sale of unmarketable parcels, by following the share retention procedure set out in this letter.***

The Sale Consideration will be posted to Minority Members whose shares are sold under this facility as soon as practicable after the Closing Date by cheque in Australian dollars to the address recorded in the share register as at the Closing Date.

If you wish to update your registered address please contact the share registry, Computershare Registry Services Pty Limited ('Computershare'), by telephone on 1300 850 505 within Australia and +61 (03) 9415 4000 from overseas.

### **Timetable**

The timetable for the sale of unmarketable parcels of shares is as follows:

Record Date	26 February 2013
Notice Date	4 March 2013
Closing Date	13 May 2013
Sale Consideration Distributed	As soon as practicable - expected within 4 weeks of Closing Date

Please note that the above timetable may be amended at any time by the Company. The Company reserves the right, for any reason, to extend the Closing Date, or to terminate or suspend the arrangements outlined in this Notice. Any such changes will be notified by way

of a market announcement on ASX. Information on the market price of Signature shares is available from the ASX website [www.asx.com.au](http://www.asx.com.au) under the code "SBL".

#### **Authority for sale of unmarketable parcels**

The Company's Constitution authorises the sale of shares held by Minority Members using the process outlined in this Notice. In the event that a Minority Member does not elect to retain their shares in accordance with the procedures prescribed in this Notice or any subsequent notice, then on the expiry of the Notice Period the Company is deemed to have been appointed as the agent of each Minority Member to sell their unmarketable parcel of shares for a price not less than the minimum sale price and to receive and pay them their proportion of the total Sale Consideration.

#### **Other important information**

If you have any general questions regarding the sale of unmarketable parcels of shares please contact **1300 784 494**.

However, neither Signature nor Computershare makes any recommendation or gives any advice to you regarding whether to retain your shares or permit them to be sold.

***If you are in any doubt about the impact of this Notice, or if you require further information in relation to the possible taxation implications of your unmarketable parcel of shares, please consult your legal, financial or taxation adviser.***

Yours sincerely

**Peter Chen**  
**Executive Director**