TRIAL MINING COMMENCES AT KYEREBEN

ASX Release

27 April 2012

SIGNATURE METALS LIMITED

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Signature Metals Limited (ASX: SBL) ("Signature" or the "Company"), is pleased to announce that it has commenced trial mining of the Kyereben Deposit, a new deposit discovered by the Company's geologists at the Company's Konongo Gold Project in the Ashanti Gold Belt of Ghana.

The Kyereben Deposit was first identified based on anomalous historical soil geochemistry, with trenching during 2010 delineating a 200 metre long anomaly. Follow up aircore drilling at the Kyereben prospect in December 2010 and January 2011 returned intersections including 13 metres at 2.90g/t from 34 metres and 15 metres at 1.12g/t gold from 12 metres[1]. RC drilling was carried out in May 2011 to test for depth extensions to mineralisation and infill around the aircore intersections to validate these intersections. RC drilling returned intersections of 8 metres at 3.87g/t gold from 29 metres, 8 metres at 2.27g/t gold from 58 metres and 9 metres at 2.49g/t gold from 27 metres[2].

During the 2011 December Quarter (December Quarter), the Kyereben West prospect was identified as a high-order target from twenty-two mineralisation targets throughout the leases with potential for exploitable shallow oxide ore. Prioritisation was based on previous trenching and drilling. Late in the December Quarter and throughout the 2012 March Quarter (March Quarter), the Company carried out close-spaced surface trenching to validate the up-dip and up-plunge mineralisation continuity and constrain structural controls on mineralisation. Intersections are presented as Table 1 and Figure 1. A total of 21 trenches were completed. All results from the programs have been returned.

Results from the trenching programs indicate a stacked, quartz vein-hosted mineralised system comprised of multiple, generally north-dipping veins controlled by - and bounded by - northeast trending, vertical, stratabound shears. The mineralisation is largely continuous at surface. Trenching results extend mineralisation to the northeast for a total mineralised strike length of 360m. The mineralisation has further strike potential to the northeast and southwest and has not been further tested at depth, where it remains open. The encouraging results led the Company to begin trial surface mining at Kyereben as part of the plant-scale trials associated with commissioning of the crusher and a shift in focus to oxide mineralisation.

Approvals were received during the March Quarter to proceed with an open cut mine at Kyereben during March and an initial batch of ore comprising almost 3,700 tonnes was mined and processed. Total

recovery for this material was 90% from a head grade of approximately 2.7 g/t gold.

Based on these results the Company has commenced a more extensive trial mining project at Kyereben West, and has now hauled 24,300 tonnes of ore to the RoM pad. To date, 13,100t of ore has been milled at an average head grade of 2.41g/t Au. Gold recoveries have increased to 93%.

While further drilling is required to delineate a JORC Code compliant resource the Company has delineated a geologically constrained Exploration Target for the oxide portion of the Kyereben Deposit (based on drill intersections to date and trench geological and structural data) of 120,000 to 220,000 tonnes of ore at grades between 1.4 and 1.8g/t of gold[3]. This Exploration Target is part of the Company's global Exploration Target of 1.5 to 2.5 million ounces of gold (derived from 20 to 25 million tonnes of mineralised material at an average grade of 2 to 4g/t gold).

Yours Faithfully

Mark Gillie
Executive Director
SIGNATURE METALS LIMITED

About Signature Metals Limited (ASX Code: SBL)

Signature Metals has assembled a package of quality resource projects in Africa. The Company's flagship asset is the Konongo Gold Project in the world class Ashanti Gold Belt of Ghana. Past production from the Project totalled 1.6 million ounces at a head grade of 11.8g/t gold. The Company is focused on developing the Konongo Gold Project into a +100,000 ounce per annum gold producer from the existing Indicated and Inferred JORC Resources of almost 1.5 million ounces (Table 2).

The Konongo Gold Project comprises 192km^2 of granted tenure and contains 16 known gold deposits along 12 kilometres of strike of the Ashanti Gold Belt. The project currently has JORC compliant resources of 23.4 million tonnes at a grade of 1.95g/t in the Indicated and Inferred categories for a total of 1.47 million ounces of gold (detailed in Table 1). Additionally, significant infrastructure remains on site including a 350ktpa CIL plant which has been refurbished by the Company. The Company is examining the potential to expand production from this plant. The Company has been in gold production since July 2011 and is in the process of ramping up to full commercial production.

For more information visit : www.signaturemetals.com.au

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[1] *Please refer to ASX Announcement "Drilling Confirms Surface Discovery" released to the ASX on the 21st February 2011 for complete list of drilling results and Competent Person sign-off.*

[2] *Please refer to the Quarterly Activities Report for September Quarter 2011, released to the ASX on 27th October 2011, for complete list of drilling results and Competent Person sign-off.*

[3] *These Exploration Targets are conceptual in nature and relate to defined exploration targets/areas where mineralisation has been identified but resources have not been delineated. The Exploration Target for Kyereben West is based on a strike length of 200 metres, mineralised widths between 8 and 15 metres (as intersected in drilling) extending to a depth of 50 to 60 metres and using an SG of 1.5 for oxide material and 2.7 for fresh. The quantity and grade of the global exploration target is based on past production records and in comparison with currently defined Mineral Resources contained within the project. There has been insufficient exploration to define a Mineral Resource in these areas and it is uncertain if further exploration will result in the determination of a Mineral Resource different to the JORC-Code compliant resource presented in Table 2.*

Table 1. Trench Intersections from Kyereben West

Hole Id	Project Grid (KELG)			Total Length		Intercept
	Easting	Northing	Azimuth			
KWT006	49410	53540	90	103		1m@4.4g/t
KWT007	49440	53580	90	67		2m@1.85g/t
KWT007	49440	53580	90	67		5m@2.09g/t
KWT008	49440	53620	90	40		1m@1.06g/t
KWT008	49440	53620	90	40		1m@1.18g/t
KWT008	49440	53620	90	40		1m@6.32g/t
KWT009	*49440*	*53640*	90	*40*		1m@1.37g/t
KWT009	*49440*	*53640*	90	40		2m@5.31g/t
KWT010	49440	53660	90	34		1m@1.03g/t
KWT011	*49430*	*53680*	90	*62*		1m@1.41g/t
KWT012	49440	53720	90	44		8m@2.23g/t
KWT013	49449	53740	90	40		2m@2.23g/t
KWT014	49440	53760	90	46		8m@3.29g/t
KWT015	49440	53780	90	46		6m@3.51g/t
KWT016	49450	53810	90	52		8m@2.35g/t
KWT017	49420	53850	90	118		1m@1.03g/t
KWT017	49420	53850	90	118		1m@1.08g/t
KWT018	*49450*	*53730*	90	*20*		4m@4.34g/t
KWT019	*49450*	*52750*	90	*17*		3m@2.86g/t
KWT020	49450	53790	90	31		8m@2.75g/t
KWT022	49466	53871	90	60		1m@5.19g/t
KWT024	49460	53892	90	32		2m@5.35g/t
KWT025	49460	53950	90	36		5m@2.8g/t
KWNXT001	49420	53920	90	102		3m@5.18g/t

All trench intersections greater than 1m with grade greater than 1.0g/t are reported and may include up to 2 metres internal dilution and no external dilution. Samples are analysed by 50g Fire Assay method at internationally accredited laboratories in Ghana. QA/QC samples are inserted regularly by the Company including certified reference samples, blanks and duplicates and intersections are not reported unless results from these samples meet acceptable standards.

Project Grid (KELG) is the Konongo License Exploration grid. The grid is in meters and is rotated 135 degrees clockwise.

The information in this release which relates to Exploration Targets and Exploration Results is based on information compiled by Mr Bill Oliver. Mr Oliver is a Member of the Australasian 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Oliver is a Director of Signature Metals and consents to the inclusion in this release of the matters relating to Exploration Results in the form and context in which it appears based on the information presented to him.

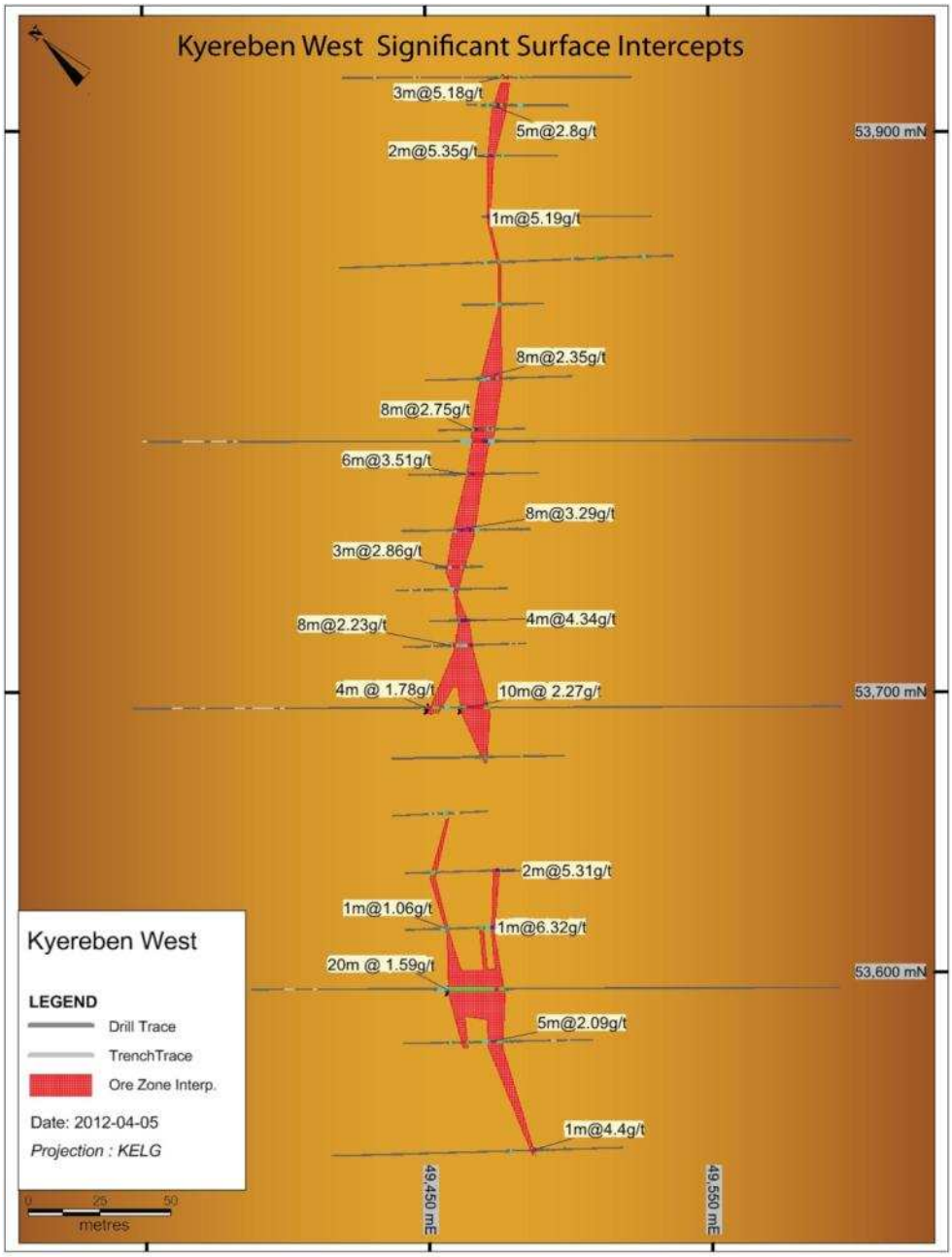

Figure 1 Exploration trench data, Kyereben West Prospect (Projection: Project Grid (KELG)

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				3,802,500	2.91	355,440	3,073,000	2.00	197,630	6,875,500	2.50	553,070
Asieye							1,500,000	0.80	38,580	1,500,000	0.80	38,580
Kwakawkaw							985,000	1.72	54,575	985,000	1.72	54,575
Nyabo East							540,000	1.03	17,940	540,000	1.03	17,940
Patuo				128,000	1.43	5,905	445,000	1.44	20,660	573,000	1.44	26,565
Kyereben West							124,000	3.10	12,360	124,000	3.10	12,360
Aserewa				324,000	2.42	25,130	136,000	4.66	20,355	460,000	3.10	45,485
Atunsu				99,000	2.01	6,415	659,500	2.61	55,435	758,500	2.54	61,850
Apan				39,000	2.03	2,565	526,000	2.22	37,620	565,000	2.21	40,185
Leopard Shaft							95,000	7.55	23070	95,000	7.55	23,070
Boabedroo				1,359,000	2.36	103,300	2,244,000	2.36	170,490	3,603,000	2.36	273,790
Akyenase Central				58,000	4.00	7,460	96,000	8.80	27,160	154,000	6.99	34,620
Santreso West				3,520,000	1.20	135,805	810,000	1.25	32,555	4,330,000	1.21	168,360
Santreso South							340,000	1.16	12,680	340,000	1.16	12,680
Santreso East							700,000	1.27	28,615	700,000	1.27	28,615
Old Tailings Dam				1,177,000	1.19	45,050	575,000	0.87	16,100	1,752,000	1.09	61,150
Southern Tails							275,000	1.56	13,795	275,000	1.56	13,795
Total	**0**	**0**	**0**	**10,506,500**	**2.03**	**687,070**	**13,123,500**	**1.85**	**779,620**	**23,630,000**	**1.95**	**1,466,690**

The Mineral Resources presented in this table for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits, as well as for the Old Konongo Tailings Dam is based on information compiled by Mr Peter Ball who is a Member of the Australasian Institute of Mining and Metallurgy and is the Manager of Data Geo. Mr Ball 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion of this table in the report in the form and context in which it appears based on the information presented to him.

The Mineral Resources for the Obenemase, Boabedroo, Aserewa, Atunsu, Apan and Patuo Deposits were derived from solid models of mineralised zones defined by geology and Au grade. Au grade was estimated into block models created from these zones using Inverse Distance^2. Tonnage was assigned by weathering condition (oxide, transition, fresh) using default SG values generated from historical drill core measurements. The Mineral Resources are classified according to geological continuity, grade continuity and geostatistical parameters relating to sample density. The Mineral Resource is reported below the recorded extents of open cut mining at a 1.0g/t cutoff for fresh rock material and a 0.5g/t cutoff for oxide & transition material. Material recorded as being mined by underground methods has also been removed from the Mineral Resource. For tailings material all material is included in the Mineral Resource.

Other Mineral Resources presented in this table have 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. 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 Australasian 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 'Australasian 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.