

## ASX Release

**Tuesday 12 May 2009**

**SIGNATURE METALS  
LIMITED**

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**Issued Capital:**  
 417 million shares

**ASX Symbol:** SBL

# MILLION OUNCE GOLD PROJECT OPTIONED

Signature Metals Limited is very pleased to announce that it has acquired an option to purchase 70% of the multi million ounce Konongo Gold Project, located in the world class Ashanti Gold Belt of Ghana (see Figure 1).

## HIGHLIGHTS

- **Company refocussed on developing the Konongo Gold Project into a +100,000 ounce per annum gold producer.**
- **Option to acquire 70% of the Konongo Gold Project, with ability to move to 90%.**
- **Past production of 1.6 million ounces at a head grade of 11.8g/t gold.**
- **Existing JORC Resources of approximately one million ounces.**
- **Significant infrastructure including a 350ktpa CIP gold treatment plant.**

The Konongo Gold Project comprises 192 km<sup>2</sup> of granted tenure and contains 16 known gold deposits along 12 kilometres of strike of the Ashanti Gold Belt. Significant infrastructure remains on site including a 350ktpa CIP plant. The Konongo Gold Project is jointly owned by Mwana Africa PLC, a local company and the Government of Ghana.

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:**

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

Resources contained within the project are detailed in the attached table and include six deposits with resource grade greater than 4g/t gold. In addition to re-evaluating the known deposits at the current

gold price the Company believes there is considerable potential to extend high grade zones within these resources as well as the opportunity to make new discoveries within the project area.

Signature Metals has immediately commenced reviewing and re-estimation of the existing resources, including carrying out an evaluation of mining these resources at the current gold price. In addition the Company will carry out a review of previous work to identify targets for drilling in the second half of 2009.

### **Background**

Gold was discovered on the Konongo Gold Project at the Obenemase Deposit in 1903. Between discovery and 1997 **approximately 4.4 million tonnes of ore was treated from the project for approximately 1.6 million ounces of gold at a recovered grade of 11.8g/t Au.** Most of this production was carried out between 1932 and 1984, with underground mining to a depth of 844 metres from five shafts. A number of small, shallow oxide deposits were mined between 1988 and 1997. Exploration since this date has included an airborne geophysical survey and over 30,000 metres of RC and diamond core drilling, as well as 7,000 meters of trenching.

The Konongo Gold Project is situated in the Ashanti Gold Belt, which hosts the world class Obuasi Gold Deposit, operated by AngloGold Ashanti Limited, and the Prestea/Bogosu deposits which are currently being mined by Golden Star Resources Limited. Obuasi is located approximately 50 kilometres from the Konongo Project and contains resources of 33 million ounces of gold and past production exceeding 22 million ounces of gold. The Prestea/Bogosu deposits have current resources of six million ounces of gold and have historically produced approximately eleven million ounces of gold. Both the Obuasi and Prestea/Bogosu deposits are similar in terms of geological setting and mineralisation styles to the deposits found within the Konongo Gold Project.

### **Geology**

The geology within the project area comprises Upper Birimian and Tarkwaian series rocks. These rocks are folded around a northeast trending axis, which swings to the north as dips flatten in the Obenemase and Kwakawkaw areas. Folding is isoclinal, with the fold axis overturned to the southeast and limbs separated by Tarkwaian sediment in the core of the syncline.

Gold mineralisation within the Konongo Project area can be divided into four distinct styles:-

- 1) Quartz reef style, with gold mineralisation hosted within narrow, intensely sheared, quartz veined and altered transition zone sediments
- 2) Disseminated sulphide / gold lodes; hosted within Upper Birimian volcano-sedimentary rocks
- 3) Associated with highly sheared, altered and quartz veined granitoid intrusives
- 4) Broad hydrothermal auriferous stockwork zones in Tarkwaian rocks

Previous mining has concentrated on the bonanza grade quartz reefs leaving potential for significant wall-rock mineralisation and/or high-grade disseminated mineralisation to be discovered / developed.

#### **Terms of Purchase**

Signature will carry out a mining study on the Konongo Gold Project within 12 months to earn the option to acquire Mwana Africa's 70% holding in the project. Acquisition will be by payment of 50 million Signature shares or A\$1million in cash. Consent will be required from the Ghanaian Minerals Commission prior to the transfer of ownership of the project. A further payment of 50 million shares or A\$1million in cash will be paid to Mwana upon delineation of one million ounces in the Measured & Indicated JORC Code-compliant resources. A final payment of A\$3 million in equity or cash will be paid following production of 100,000 ounces from the project.

**This is an important transaction for the growth of Signature Metals and sets the path for the Company to become a significant gold producer in a proven high grade gold belt.**

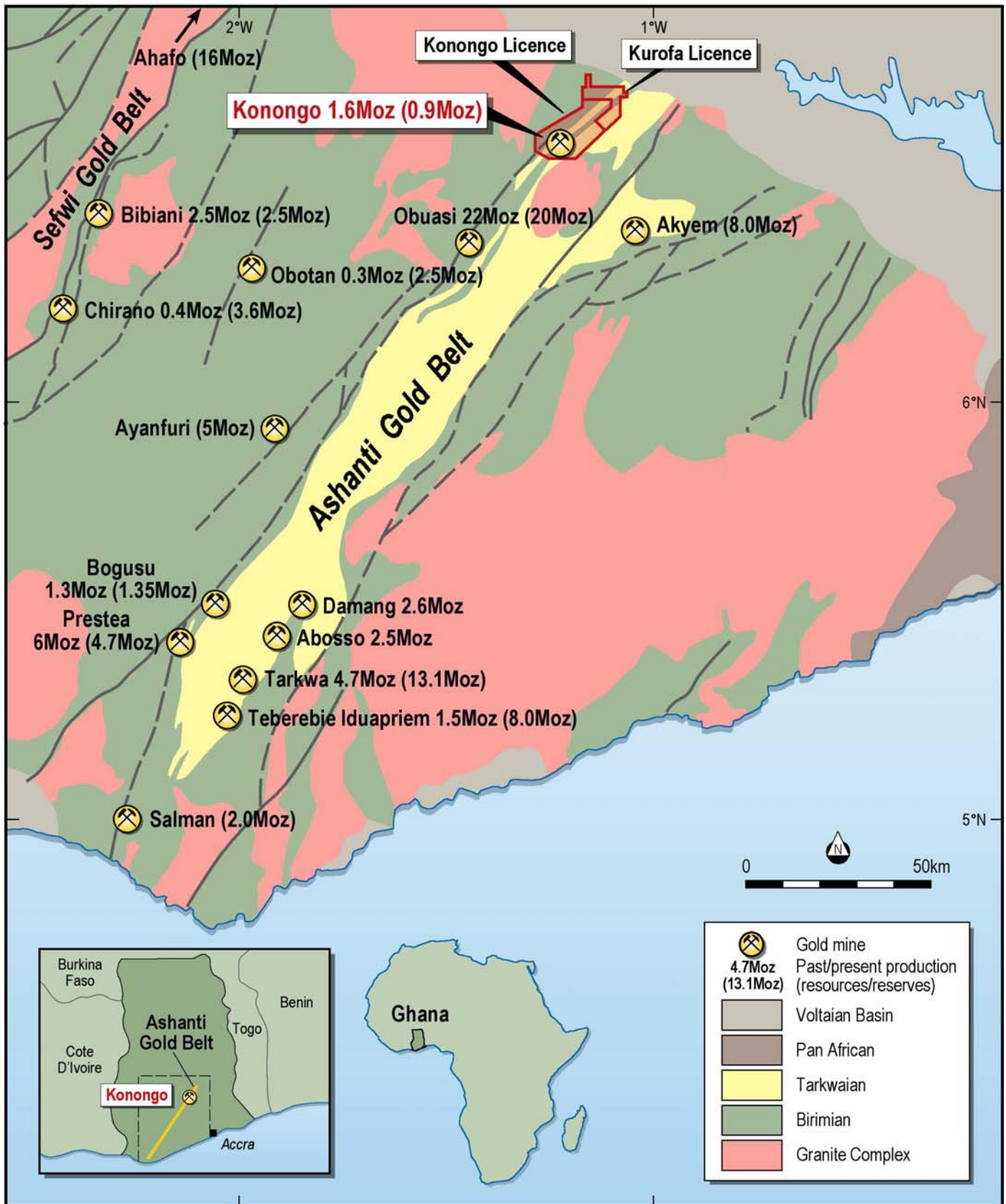
Bill Oliver

Exploration Director  
**SIGNATURE METALS LIMITED**

*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 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.*

Figure 1. Project Location



**Figure 2. Deposits contained within the Konongo Gold Project**

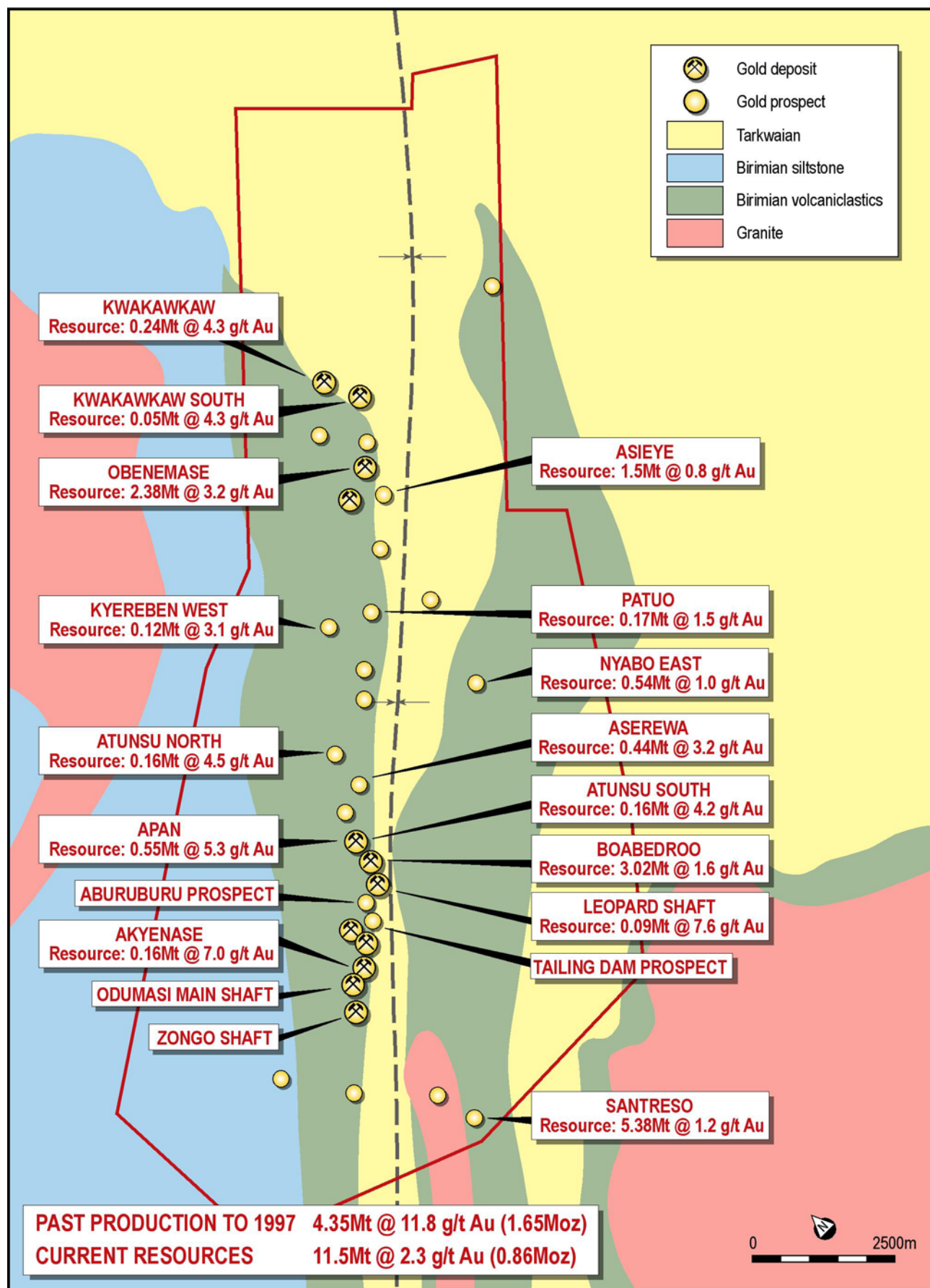
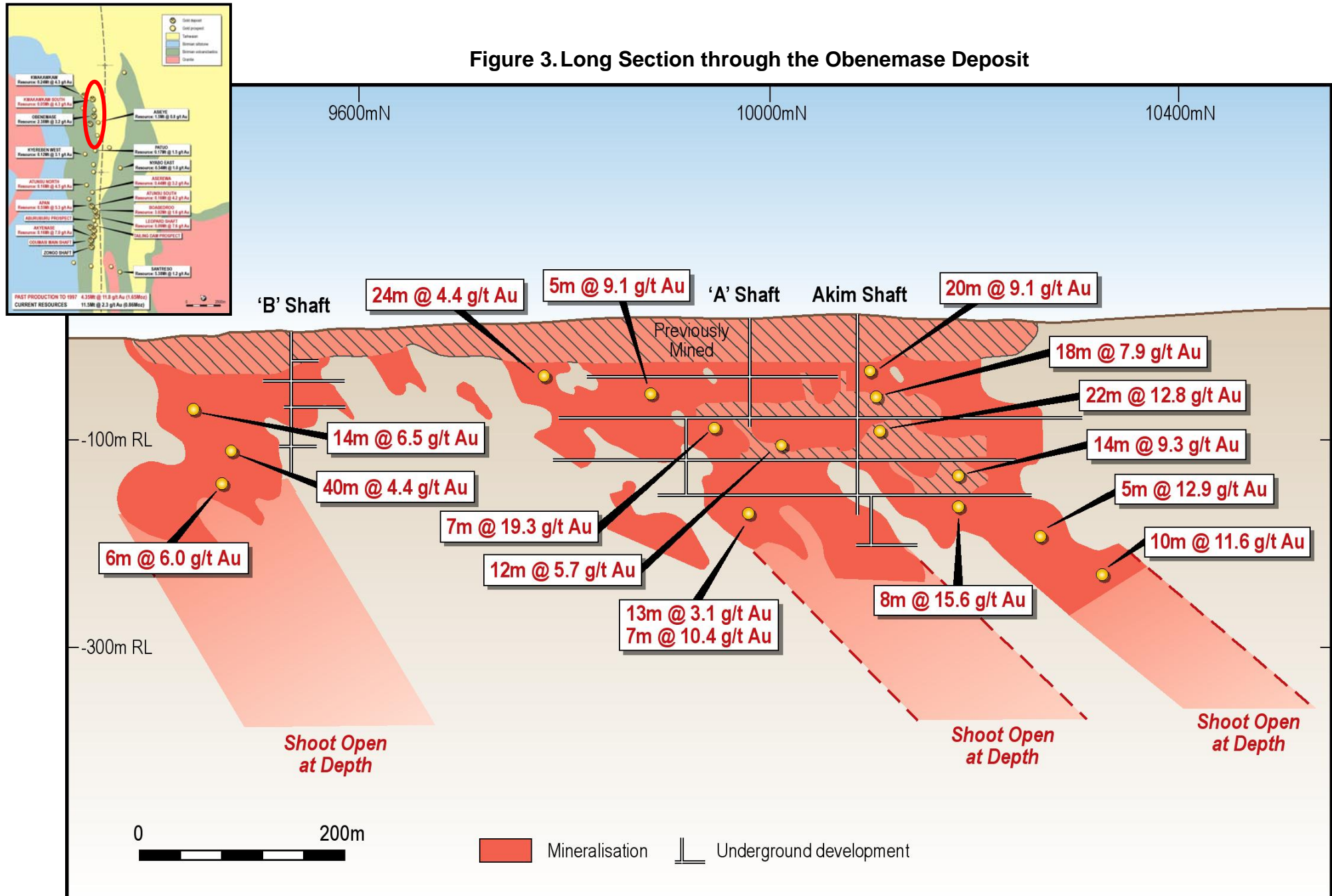




Figure 3. Long Section through the Obenemase Deposit



**Table 1. 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
Leopard Shaft							95,000	7.55	23,071	95,000	7.55	23,071
Boabedroo				30,000	2.82	2,720	2,985,972	1.59	152,506	3,015,972	1.60	155,226
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,006,000</b>	<b>1.84</b>	<b>295,744</b>	<b>10,000,972</b>	<b>2.12</b>	<b>682,686</b>	<b>15,006,972</b>	<b>2.02</b>	<b>978,430</b>

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