SIGNATURE METALS LIMITED

ASX Release

17 July 2014

SIGNATURE METALS LIMITED
10 Woolshed Gully Drive
Mt Clear Victoria 3350

ASX: **SBL**

Directors :

Raymond Tan – Non-Executive Chairman

Peter Chen – Executive Director

Roland Selvanayagam – Non-Executive Director

Denis Clarke – Non-Executive Director

Chief Executive Officer:
Chris Gbyl

Company Secretary:
Catherine Officer

Issued Capital:
2,760 million shares

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Signature Metals Limited – Annual Report & Annual General Meeting delay

Signature Metals Limited (**Signature** or **the Company**) refers to its announcement on 1 July 2014 in relation to the suspension of the Company's shares from quotation on ASX on that date, due to the Company not lodging its annual report within the timeframe required by the ASX Listing Rules.

On 14 July 2014 the Company's majority shareholder, LionGold Corp Ltd (**LionGold**), released an announcement to the Singapore Exchange (**SGX**) (**the 14 July Announcement**). LionGold has released a subsequent announcement today clarifying certain matters in the 14 July Announcement.

Annual Report & Annual General Meeting - Timing

In the 14 July Announcement LionGold provided a timeline for finalisation of Signature's annual report and the holding of its Annual General Meeting (**AGM**). At this time Signature is not in a position to be certain as to when it will finalise and lodge its annual report for the financial year ended 31 March 2014 – as previously stated the Company is doing all that is necessary to expedite the release its annual report.

In accordance with the *Corporations Act 2001* (Cth) (**the Act**), Signature is required to hold its AGM by no later than 31 August 2014. Because the Company has not finalised its annual report, it is not in a position to convene and hold its AGM by that date. Signature has made an application to ASIC under section 250P of the Act for an extension of time in which to hold its AGM. That application is still pending. Signature will advise the date of its AGM when it is in a position to do so.

Annual Report - Delay

The Company has previously advised that it has been working through its funding requirements with LionGold, to enable Signature to finalise its assessment of the carrying value of its assets and liabilities, and thus finalise its annual report.

In the 14 July Announcement, LionGold notes in relation to Signature that the assessment of impairment to the carrying value of assets and liabilities of Signature involves:

- The preparation of a discounted cash flow model for the LionGold Group's Konongo Gold Project (**Konongo**), owned by Signature through its 70% owned subsidiary Owere Mines Ltd; and
- Signature providing an estimate of funds needed to commit to develop Konongo.

LionGold has also noted that its original calculation for impairments was to allocate approximately SGD20million in funding for the development of Konongo, to be provided by LionGold as Signature has no source of revenue from its operations.

On 31 March LionGold announced a fundraising exercise, of which it proposed to allocate SGD20million to Konongo. Delays in completion of the fundraising have resulted in uncertainty regarding the monies LionGold may commit to Konongo, which in turn has delayed the assessment of Signature's assets and liabilities, which are material to the financial statements of Signature.

In June LionGold announced to SGX a placement, changes to a convertible bond issue and a rights cum warrants issue which when completed are expected to raise approximately SGD37.9million, which would provide sufficient funds for the development of Konongo. Subject to completion of the fundraising, LionGold and Signature are now working to finalise the valuation report, with a view to releasing Signature's annual report as soon as possible.

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