

## **QUARTERLY ACTIVITIES REPORT** **For the period ended 30 June 2010**

### **ABOUT GOLD ANOMALY (ASX CODE: GOA)**

The Company's immediate focus is commencement of gold mining activities at the high grade gold project at Sao Chico in Brazil and continuation of evaluation of the potentially large Crater Mountain gold project. It is also progressing its Fergusson Island gold project in Papua New Guinea and seeking a joint venture partner for its encouraging vein style polymetallic discovery (zinc-tin-copper-silver dominant) at Croydon in north Queensland.

**Gold Anomaly Limited**  
ABN: 75 067 519 779  
Level 4 15-17 Young Street  
Sydney NSW 2000  
Australia  
Phone (02) 9241 4224  
Fax (02) 9252 2335

[www.goldanomaly.com.au](http://www.goldanomaly.com.au)

**Greg Starr**  
**Executive Chairman**  
Phone 02 9241 4224  
Mobile 0414 906 611

**Ken Chapple**  
**Executive Director**  
Phone (07) 3711 7720  
Mobile 0418 758 301

### **KEY POINTS**

#### **CRATER MOUNTAIN GOLD PROJECT, PNG (51% earning to 70%)**

- Channel sampling commenced after significant completion of the roadworks
- Sampling of initial bench in artisanal mining area complete. Further benching and sampling to be undertaken in area.

*Subsequent to end of Quarter:* A total of 105 costean channel samples collected for a total of 525 metres now undergoing sample preparation and FA50 gold assay by Intertek in Lae; pulps will be sent to Jakarta for Ag, Cu, Pb, Zn, and As analysis. Further samples ready for dispatch to Lae.

#### **SAO CHICO GOLD PROJECT, BRAZIL (100%)**

- Shipment of gold processing plant
- Environmental license granted

*Subsequent to end of Quarter:* Feasibility study evaluating underground hard rock potential commences.

- Test sampling commences
- On legal advice processing plant held in Panama until importation approvals are obtained.

#### **FERGUSSON ISLAND GOLD PROJECT, PNG**

*Subsequent to end of Quarter:* Agreement signed for acquisition of 100 % of Fergusson Island Gold project

#### **CROYDON POLYMETALIC PROJECT, QLD (100%)**

*Subsequent to end of Quarter:* Age dating of the mineralisation (385-284 Ma) reveals similar ages to the Cracow gold (~291 Ma), Mount Leyshon gold (~290 Ma) and Mount Chalmers copper-gold deposits (~277 Ma).

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Exploration activities increased during the quarter mainly as result of activities continuing at Crater Mountain. Mining development activities were undertaken at Sao Chico in Brazil during the Quarter. Expenditure on exploration activities totalled \$ 701,000 while expenditure on mining development totalled \$ 601,000.

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## **CRATER MOUNTAIN (GOA 51%, EARNING 70%)<sup>1</sup>**

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### **DEVELOPMENTS DURING THE QUARTER**

During the Quarter the company continued the earth works and benching program initiated in the previous quarter. The earthworks program is aimed at;

1. re-opening the old unsealed road and constructing new road between the sealed road at Lufa Station and the tenement area to provide 4WD vehicle access, and
2. benching the hill sides at the Nevera prospect to provide new bedrock exposures to facilitate geological and structural mapping and geochemical sampling

At the beginning of the quarter the earthmoving equipment had reached the northeast corner of the Company's tenement block. During the quarter the machinery progressed past the Awaunita and Masi Creek Prospects, improving access to these two prospects, to the Company's Mamati base camp and on to the Nevera Prospect which is the high priority focus of the Company's exploration at this stage.

At Nevera the benching was progressed into the deep gully hosting the majority of the artisanal mining activity and cut across the base of the prominent spur which has been the host to shallow underground artisanal mining over the past 6 years where there is evidence that the artisanal miners have reached depths of up to 60 metres below surface. A spur road was completed up onto the main ridge where the Company is constructing a second camp ("new top camp") to house technical staff and contractors closer to work sites, and south along both sides of the ridge through the previously drilled area

Detailed geological mapping and channel sampling was commenced. Continuous 5 metre channel samples have been taken on the approach to the artisanal mining area and initial channel sampling in this area is now complete. Further benching and sampling will be undertaken in this area.

The majority of bedrock exposed to date is massive feldspar porphyry, which is strongly phylically altered with an overprint of argillic alteration and deep weathering. Patches of mild silicification are apparent. Fracturing and jointing is of variable but mostly medium intensity and is marked by dark iron oxides, with prominent near-vertical fractures commonly trending east of north forming the "lines" favoured by the artisanal miners which are opened up and mined along with the ancillary joints in the artisanal mining area, yielding good but highly variable returns of gold. Recent tephra (volcanic ash) irregularly blankets parts of the prospect area, which even the bulldozer/excavator benching has failed to penetrate. The excavator will later be used to trench to bedrock in critical areas.

At the end of the quarter benches had been cut through a number of areas of previous high grade trench sample results and the artisanal mining zone at Nevera and further benching

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<sup>1</sup> As of June 30 2010 GOA had spent A\$903k on Crater Mountain on phase 2 exploration. Under a letter agreement between the parties, expenditure greater than A\$900k constitutes a trigger to increase GOA ownership from 51% to 70%. The major partner and the minority partners of the Crater Mountain JV have been made aware of GOA's intention to move from 51% to 70% ownership. The process in making this change is underway.

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and sampling of other prospective nearby areas was continuing. Samples were being dried and stored at the Mamati camp prior to being submitted for geochemical analysis.



**Road cut through spur to base of artisanal mining area in background**

The benching is being conducted to provide new information on the lithological and structural controls of the distribution of gold mineralisation in the prospect, in order to better evaluate the various models of mineralization proposed by earlier generations of explorers and plan the next phase of drilling. Some significant results from previous drilling are listed below:

NEV 02 ; 121 metres at 1.77 g/t Au

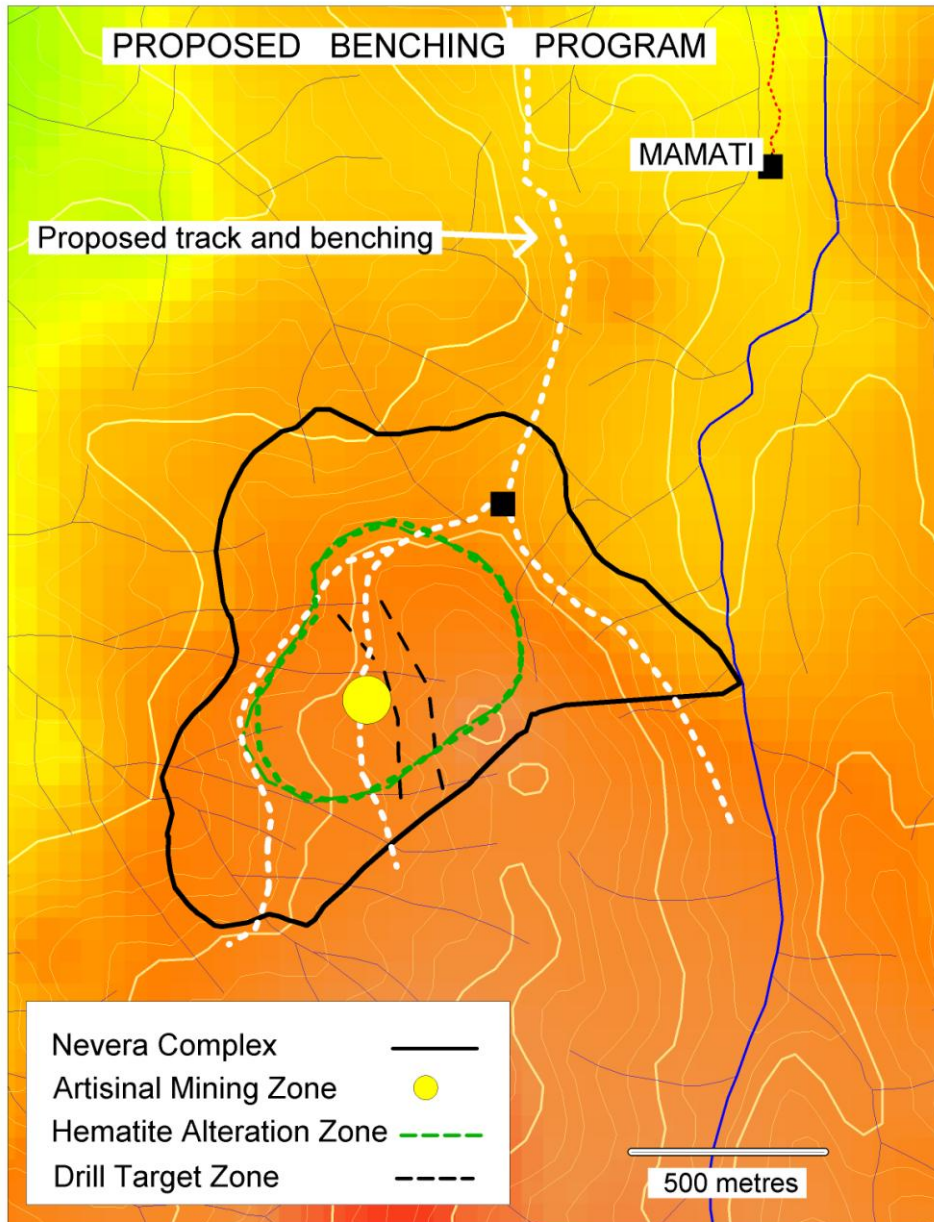
NEV 05 ; 151 metres at 1.38 g/t Au, incl 24 metres at 6.55 g/t Au

NEV 08 ; 178 metres at 1.30 g/t Au, incl 32 metres at 2.76 g/t Au

NEV 10 ; 129 metres at 0.61 g/t Au, incl 25 metres at 1.60 g/t Au

NEV 11 ; 205 metres at 0.86 g/t Au, incl 25.5 metres at 2.36 g/t Au

It is also anticipated that the benching program will define the extent of the weathered supergene gold mineralisation in the “hematite cap” area part of which has been exploited in the artisanal mining zone. This near surface gold mineralisation can be treated by simple gravity concentration thus may represent an opportunity to fast track a small to medium scale open cut mine and processing facility at Nevera.



The project work is being directed by exploration director Peter Macnab who has been spending most of his time on site. Mr Macnab is a widely experienced exploration geologist who has worked in PNG for over 40 years and is a widely respected expert in PNG geology. He was the discoverer of the giant Lihir deposit (45m ozs gold) as well as being the discoverer and co-discoverer of other world class gold / copper deposits in PNG including Wafi (7m ozs gold ), Frieda River( 7.5 m tonnes Copper,14.3 m ozs gold), Misima (3.7m ozs gold) and Simberi (5.7m ozs gold).

**Events subsequent to end of quarter**

A total of 105 costean channel samples collected for a total of 525 metres are now undergoing sample preparation and FA50 gold assay at the Intertek facility in Lae; pulps will be sent by them to Intertek in Jakarta for Ag, Cu, Pb, Zn, and As analysis. Further samples are ready for dispatch to Lae.

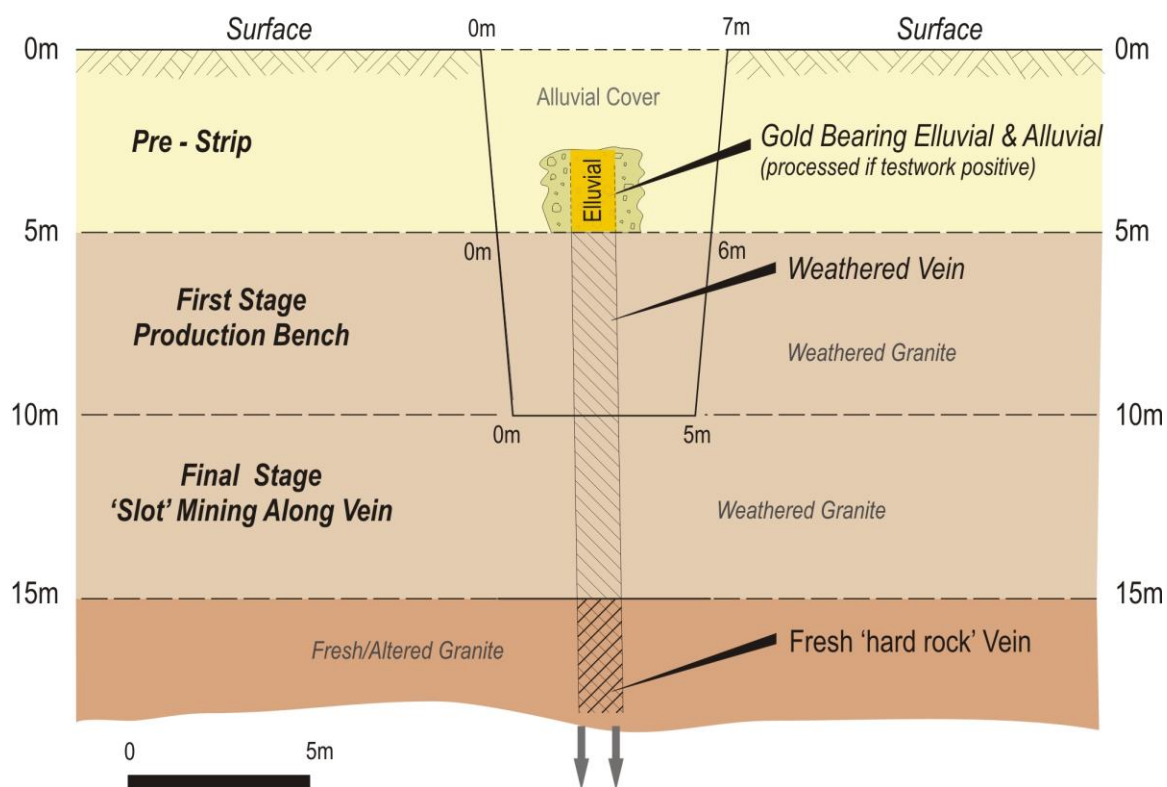
## DEVELOPMENTS DURING THE QUARTER Shipment of Gold Processing Plant to Brazil

Gold Anomaly Limited advised that the gravity gold processing plant purchased by 100% owned subsidiary, Gold Aura Do Brasil Mineracao Ltda (GOAB) was despatched by sea freight from Melbourne, Australia. The plant, supplied by Gekko Systems of Ballarat, Victoria, is a state of the art integrated gravity concentrating system utilising pressure jig technology. After clearing Customs in Brazil, the plant will be transported to site at Sao Chico in Para State and after installation and commissioning it is expected that it will be ready to commence gold production. Site preparations have commenced to ensure the quick installation of the plant when it arrives. Construction of additional infrastructure has commenced. Construction of the initial tailings dam has been completed. A survey grid has been established at Sao Chico and mapping has been commenced. This work will provide an accurate base map for planning purposes

### Exploitation Licence

A GUIA mining licence application has been lodged by Waldomiro Martins (WM) and is currently being assessed. GOAB has an interest in the licence in that it will undertake exploration and mining activities on behalf of WM under the terms of an Agreement entered into with him. A GUIA or “guide” allows for up to 2 years of production to ascertain such mining parameters as metallurgy and mining alternatives and can be applied for over all, or part, of an Authority to Prospect (AP) provided that exploration results have indicated potentially economic mineralisation is present. Up to 50,000 tpa of gold mineralisation can be mined under a GUIA. The grant of a GUIA requires that a feasibility study is undertaken during the up to two years of tenure to determine if a larger mining operation could be economically viable. The Environmental Operating Licence has been granted for the Sao Chico project.

### **PROPOSED OPEN PIT MINING - SAO CHICO**



<sup>2</sup> 40% Net Profit Interest being paid to the vendor.

## **Recent Notable Investments in the Tapajos Gold Province, Brazil**

Most of the more important hard rock gold occurrences in the Tapajos gold province occur within a NW-SE trending belt that includes Sao Chico. Located within this belt is the Palito Mining operation (0.67 M oz gold) of Serabi Mineracao Ltda, located some 25 km to the NW of Sao Chico and Tocantinzinho (1.9 M oz gold) located some 50km NW of Sao Chico. While the gold mineralisation is of varying styles, GOAB's perceived potential of the area has also been recognised by Eldorado Gold Corp, a significant gold producer (approaching 1.0M oz gold/annum with a circa 10Bn market capitalisation), who has acquired all of the shares in the Tocantinzinho property and recently acquired a 26.6% interest in the issued share capital of Serabi Mineracao Ltda. Eldorado Gold Corp are concentrated on evaluating the hard rock gold veins that have sourced the alluvials. The Tapajos was discovered in 1958 and since then production has totalled some 18 million ounces mainly from alluvial sources.

As announced to the Investment Market of the London Stock Exchange (AIM) 16 June 2010, Mike Hodgson, the Chief Executive of Serabi, has commented on the announcement of the investment in Serabi by Eldorado as follows;

“The subscription by a strategic investor of the stature of Eldorado is an endorsement of what we are seeking to achieve and the strategy to focus on exploration that we are pursuing. This subscription taken together with Eldorado's proposed acquisition of Brazauro Resources Corp and its Tocantinzinho project located to the north west of Palito, indicates that Eldorado is willing to make a strong commitment to the Tapajos and the region's potential. Eldorado has paid a premium over the current market price which we believe illustrates their confidence in the potential of Palito and Serabi.”

## **Events Subsequent to the End of the Quarter**

### **Feasibility Study evaluating Sao Chico Underground Hard Rock Gold Potential**

As a condition of the granting of a GUIA (mining licence) GOAB has commenced a Feasibility Study on the economics of underground mining of the gold vein shear systems at Sao Chico in the Tapajos region of Brazil. GOAB will undertake this work on behalf of the owner, Waldomiro Martins (WM), under the terms of an Agreement previously entered into with WM. Under this Agreement GOAB acquires 100% in return for paying a 40% Net Profit Royalty and \$R15 per oz royalty to WM on any gold production. A major component of the program will be a detailed Induced Polarisation (IP) survey of the main vein area together with broad electromagnetic (EM) coverage of the entire AP (exploration licence). Other work will include stream sediment sampling, soil sampling, rock sampling, geological mapping and petrology. More detailed follow-up will be undertaken on delineated IP and EM anomalies. This is the first step in evaluating the underground hard rock resource potential at Sao Chico.

It is reasonably expected that the exploration program and the IP surveying in particular will outline further shear hosted sulphide veins especially in the alluvial covered area topographically above the known veins as well as delineating lateral extensions of the known veins. There are 7 existing mineralised veins identified at Sao Chico. These veins are interpreted to extend for up to 1km along strike and average 1.5m in width and possibly extend beyond 100 metres at depth. A Mining lease will be applied for if the feasibility study indicates a commercial operation would be economic.

### **Processing Plant Shipment Update**

As previously advised that the arrival of the gold processing plant into Brazil will be delayed due to a missed shipping connection out of Panama. However, on legal advice GOAB will

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now hold the shipment in Panama until the necessary Brazilian importation approvals are obtained.

As a consequence, GOAB has commenced negotiations on alternate gold processing options once WM's GUIA has been granted that would minimise any negative cash flow impact.

## FERGUSSON ISLAND GOLD PROJECT, PNG ( GOA 67%)

No field work was undertaken on this project during the quarter as the company awaits an application to the PNG Minerals and Resources Authority for an extension of time to complete a Bankable Feasibility Study .

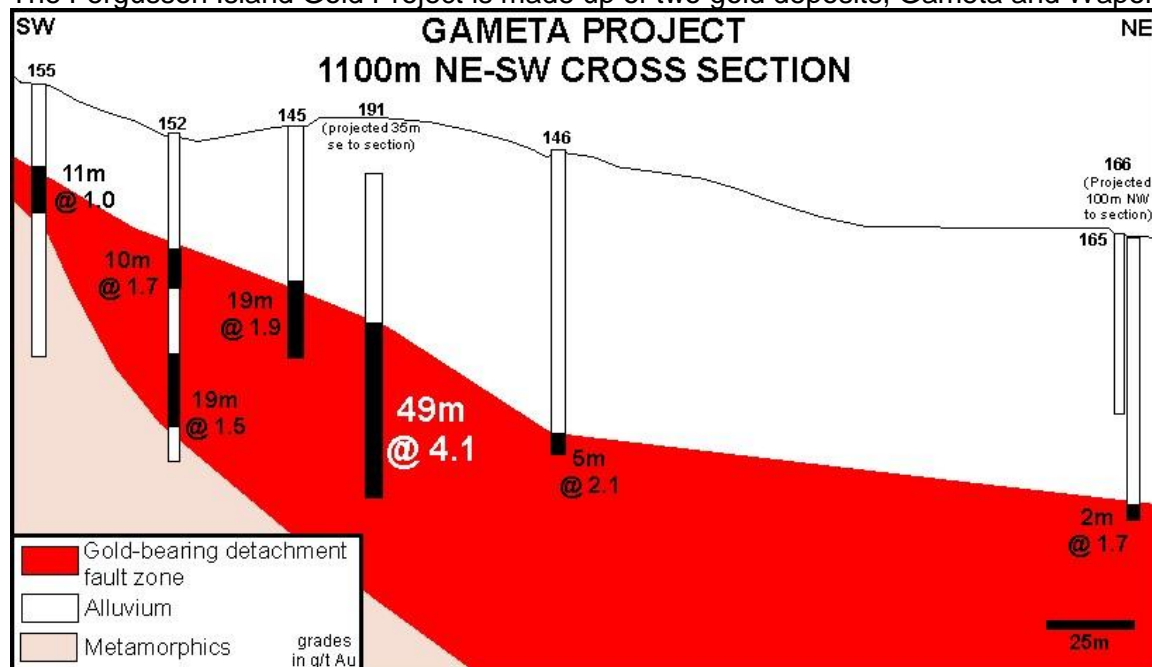
### Events Subsequent to the End of the Quarter

Gold Anomaly Limited executed an agreement with Yamana (TSX:YRI) and BacTech (TSXV:BM) to acquire 100% of the Fergusson Island gold project subject to certain terms and conditions

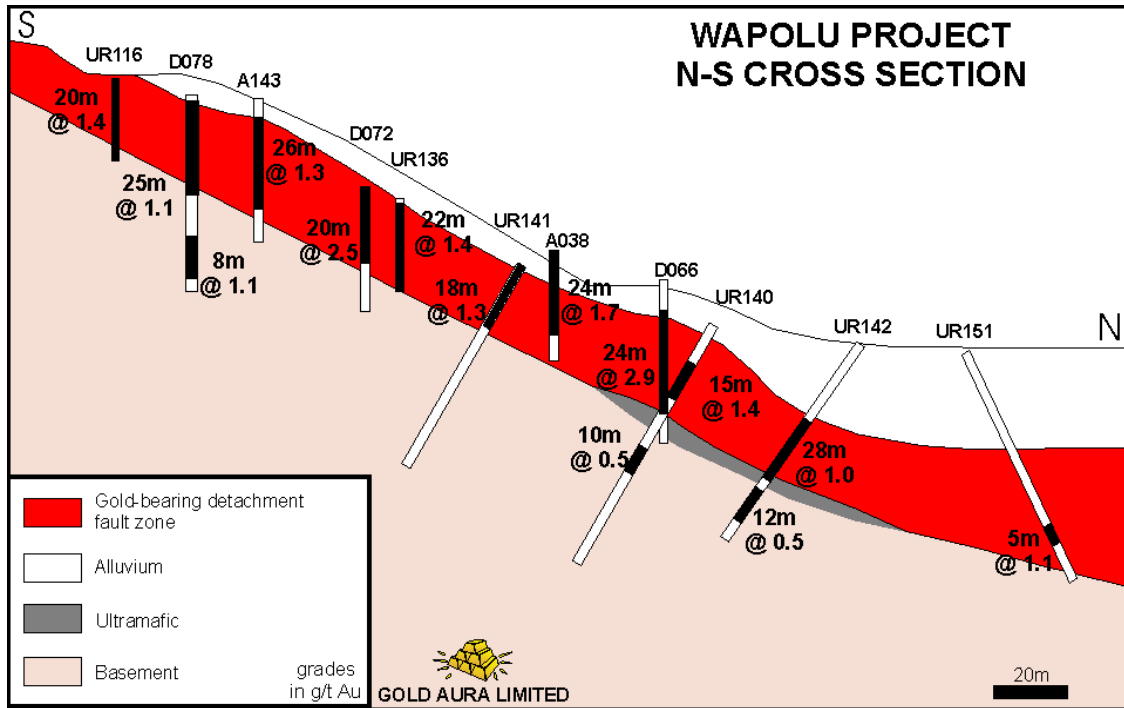
Subject to the PNG regulatory authorities granting an extension to April 2012 for a bankable Feasibility Study ("BFS") completion, the transaction will result in Yamana becoming a shareholder in GOA. BacTech will provide its specialist metallurgical services to undertake the bacterial leach component of the (BFS). GOA will complete the in-fill drilling programs and all other evaluations as required.

All parties agreed that GOA owning 100% of the Project is the best corporate structure to advance the project. This is due to GOA's larger presence and technical expertise in Papua New Guinea following the takeover of Anomaly Resources in 2009.

The Fergusson Island Gold Project is made up of two gold deposits, Gameta and Wapolu.



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**CROYDON PROJECT – QUEENSLAND , AUSTRALIA**

No field work was undertaken on this project during the quarter.

**Events subsequent to end of quarter:**

Gold Anomaly (GOA) announced that age dating of muscovite contained within sphalerite rich sulphide material from its previously announced polymetallic vein style discovery north of Croydon in Queensland has revealed an age of 285-284 Ma with an error of less than 2 million years. The result determined by Geoscience Australia was obtained from argon-argon (Ar-Ar) dating of two separate muscovite samples. As the muscovite was intergrown with the sphalerite and other sulphides and is not deformed, the age is considered to be a best estimate of the age of mineralisation. The age is also consistent with young (560 Ma) zircons previously found in the sediments hosting the vein mineralisation.

This age is similar to the age inferred for the Herberton tin-tungsten (Sn-W) province to the east. It is also similar to the ages of the Cracow gold (~291 Ma), Mount Leyshon gold (~290 Ma) and Mount Chalmers copper-gold deposits (~277 Ma).

**CAPITAL RAISING**

During the quarter:

1. the Company announced that it had entered into an agreement for the provision of a maximum \$6.7 million funding facility (“the Facility”) by New York based investment fund SpringTree Special Opportunities Fund, LP (“SpringTree”); and
2. the Company drew down \$1,150,000 before expenses (\$800,000 after expenses) under the Facility.

To date SpringTree has advanced an initial sum of \$750,000 and 2 additional tranches of \$150,000 and \$250,000 respectively under the Facility. The Facility makes provision for 15 further funding tranches of \$150,000 (and under agreement with SpringTree up to \$350,000) each to be advanced approximately 30 days after the immediately preceding tranche. The funding tranches are advanced as interest free loans to the Company monthly and repaid in



shares each month. Further details of the facility are contained in the Company's ASX release dated 9 April 2010

## CORPORATE DIRECTORY

### Board of Directors

Greg Starr	Executive Chairman
Ken Chapple	Executive Director
Peter Macnab	Non Executive Director
Robert McLean	Non Executive Director
Sinton Spence	Non Executive Director
Thomas Fermanis	Non Executive Director
James Collins-Taylor	Non Executive Director

### Company Secretary

John Lemon

### Issued Share Capital (as of 30 June 2010)

Gold Anomaly Limited had 851.77 million ordinary shares on issue.

In addition, the following options/convertible securities are on issue:

1. 86.65 million listed options (GOAOA) expiring 30 June 2012; exercisable at A\$0.03 (3 cents) per share;
2. 2.0 million unlisted options (GOA08) expiring 1 April 2013; exercisable at A\$0.04 (4 cents) per share.
3. 1,225 listed Convertible Notes each at a face value of \$500 (\$612,500). 10% pa interest. First payment made 01 April 2010.

### Quarterly Share Price Activity

	High	Low	Last
Sep 2007	11.0	7.1	8.0
Dec 2007	9.8	5.4	6.7
Mar 2008	6.7	3.5	3.5
June 2008	4.4	2.8	3.1
Sep 2008	3.6	1.3	2.3
Dec 2008	2.3	0.6	0.8
March 2009	1.5	0.5	0.7
June 2009	1.4	0.6	1.1
Sept 2009	7.7	1.2	5.4
Dec 2009	5.8	3.1	3.8
March 2010	3.9	2.9	3.4
June 2010	3.5	1.9	2.3

MARKET CAPITALISATION: 19.59M  
as of 30 June 2010

### Registered Office

Gold Anomaly Limited  
Level 4  
15-17 Young Street  
Sydney NSW 2000  
Australia  
Phone (02) 9241 4224  
Fax (02) 9252 2335  
Mobile 0418 758 301  
0414 906 611  
[www.goldanomaly.com.au](http://www.goldanomaly.com.au)

### Postal Address

Level 4  
15-17 Young Street  
Sydney  
NSW 2000

### Share Registry

Link Market Services  
Level 15  
ANZ Building  
324 Queen Street  
Brisbane Qld 4000  
Phone (02) 8280 7454  
Fax (07) 3228 4999  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Please direct shareholding enquiries and address changes to the share registry.

## COMPETENT PERSON STATEMENTS

*The information contained in this report relating to exploration results at Gold Anomaly's Sao Chico, and Croydon projects is based on information compiled by Mr Ken Chapple, Executive Director of Gold Anomaly Limited. Mr Chapple is a Member of the Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon 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 Chapple consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information contained in this report relating to exploration results at Gold Anomaly's Crater Mountain project is based on information compiled by Mr Robert McLean, Director of Gold Anomaly Limited. Mr McLean is a Member of the Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon 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 McLean consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*