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Company Announcements Office
Australian Securities Exchange

GOLD PRODUCTION COMMENCED AT SAO CHICO, BRAZIL

The Board of Gold Anomaly (ASX: GOA) is pleased to announce that its wholly owned subsidiary, Gold Aura Do Brasil Mineracao Ltda (GOAB), has now commenced gold production at the Sao Chico mine in northern Brazil.

Processing plant commissioning was undertaken using low grade weathered vein material excavated and stockpiled over the last several weeks. Following successful commissioning, mining of higher grade run of mine vein material has now commenced and forms the basis for on going gold production. Mining will provide a better understanding of the mineralisation and form part of a feasibility study for substantially expanding the operation.



Oxidised veins at Sao Chico and an old garimpeiro working

Executive Chairman, Mr Greg Starr commented, “This is a watershed event, as Gold Anomaly has now transitioned from explorer to gold producer status”.

“Although initial production will be modest and quite volatile given the nuggetty nature and uneven distribution of the gold, we believe that Sao Chico will ultimately develop into a significant mine that could process ores from nearby deposits and tenements. Given the buoyant gold price, the project will provide early cash flows that will refund existing investment and fund the feasibility study required for the successful application for a Mining Licence.”



Gekko Gravity Concentrating Plant at Sao Chico

While GOAB had initially planned to commence production at a rate of some 50 tonnes per day and progressively build up to a steady rate of 100 tonnes per day after approximately two months, 100 tonnes per day was shown to be readily achievable immediately during the commissioning. GOAB considers that there is sufficient tonnage of oxide vein material available to sustain operations at a rate of 100 tonnes per day for the remainder of 2011.

In addition, underground mining is being considered, with promising high grade gold results obtained from earlier sampling of a drive developed along the main shear hosted vein (at 18m depth) being confirmed by recent sampling.

Sao Chico is located within the Tapajos region in Brazil, the site of one of the biggest gold rushes in recent history. In the late 1970's and 1980s, approximately 500,000 garimpeiros rushed to the region to exploit extensive areas of newly discovered alluvial gold, producing approximately 20-30 million ounces of gold before the easily won alluvial gold deposits were largely depleted. Despite the gold rush, little modern exploration has been conducted over the region to date. As such, Gold Anomaly believes that there is excellent potential to expand gold operations at Sao Chico.

Gold Anomaly has entered into a farm-in arrangement with TSX-listed Kenai Resources for the project. GOAB and Kenai have vast experience and expertise of operating within the region, which will provide a focussed and systematic effort to gold production and exploration at Sao Chico. As previously advised, Kenai has an option to acquire an initial 51% of the project through loans and expenditure of up to \$3 million. However, Gold Anomaly via its shareholding in GOAB will receive all cash flow generated by the project until Kenai exercises its option.

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The information contained in this report relating to exploration results at Sao Chico in Brazil 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.