

21 September 2011

Company Announcements Office  
Australian Securities Exchange

### **Sao Chico Project, Brazil – Kenai Resources Drilling Programme Update**

As previously advised:

1. Toronto Stock Exchange Venture Exchange (“TSX-V”) - listed Kenai Resources Limited (“Kenai”) (TSX-V code: “KAI”) provides project management advisory services to Gold Anomaly Limited (“GOA”) for the Sao Chico Project in Brazil (“the Project”);
2. Kenai has:
  - (i) an option to acquire 50% of GOA’s wholly owned Brazilian subsidiary which holds the mineral project rights to the Project; and
  - (ii) a further option to acquire an additional 25% interest on certain terms and conditions.

Please find attached an announcement released by Kenai to the TSX-V yesterday which provides an update on the drilling programme at the Project.

Yours Faithfully  
**GOLD ANOMALY LIMITED**



John Lemon  
Company Secretary

#### **Competent Person Statement**

*The information in the report to which this statement is attached that relates to Exploration Results at the Sao Chico Project is based on information compiled by Neil Cole, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Cole is employed by Kenai Resources Limited. Mr Cole 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 Cole consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



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**TRADING SYMBOL: TSX-V: KAI**  
 Shares Outstanding: 62,406,734

September 20, 2011

## **KENAI UPDATE ON DRILLING AT SAO CHICO GOLD PROJECT, BRAZIL**

VANCOUVER, B.C. - Kenai Resources Ltd ("Kenai", TSX-V: KAI) is pleased to provide an update on the core drilling program at the Sao Chico gold project in the Tapajós gold belt region of north central Brazil, pursuant to the 3,000 meter drilling contract announced on August 31.

### **Drilling Progress**

The first drill rig has been mobilized to site and has commenced core drilling operations. The first hole has now been drilled to a depth of about 40 meters, with unoxidised rock encountered from 9 meters downhole depth.

The objective of the drilling is to demonstrate high grade gold mineralization along strike, down-dip and laterally on quartz sulphide hard rock veins at Sao Chico, where an underground drive channel sampling program has identified high grade gold mineralization along the 58 meter length of the drive. The gold mineralization occurs in sub-parallel quartz sulphide vein structures hosted in granodiorite. At a vertical depth of 18 meters below the surface, 37 assay sample results from 13 sample sections were collected over the total drive length of 58 meters with a sample line approximately every 5 meters from west to east. The average grade and width is 17.7 g/t gold across 1.95 meters of the underground drive. The following table shows assay results in grams per tonne of gold for 13 sections and up to three samples per section, with Sections 1a, 1b and 13 at 0.5 meters, and all others at 1 meter intervals:

<b>Channel Sample Section</b>	<b>Gold grades per sample</b>			
	<b>#</b>	<b>g/t gold</b>	<b>g/t gold</b>	<b>g/t gold</b>
	1a	235.9	254.5	3.518
	1b	2.128	0.430	0.198
	2	0.333	7.390	1.060
	3	20.39	49.34	
	4	20.68	0.437	
	5	1.026	16.78	
	6	4.223	12.76	2.811
	7	1.132	107.6	0.377
	8	10.79	0.313	
	9	0.736	6.48	0.379
	10	0.224	1.562	35.03
	11	0.453	74.12	0.266
	12	0.038	0.177	
	13	0.191	0.056	0.016

The gold analyses shown in the table were by fire assay, at the Belo Horizonte laboratory of SGS Geosol.

Kenai is making arrangements with the drilling contractor Minexplor Serviços e Consultoria Mineral Ltda. of Rio de Janeiro State to have a second rig available at the site during October.



*First hole being drilled*

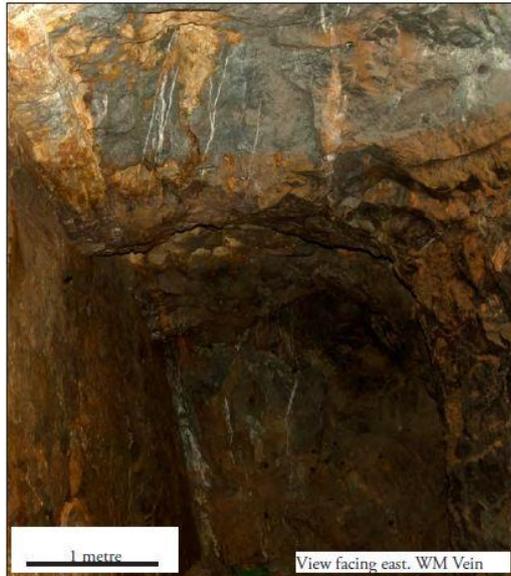
The photo shows the first hole being drilled to a target depth of 75 meters, to test a possible down dip extension to the high grade eastern end of the underground drive where high grade gold assay intercepts were recorded, as shown in Channel Sample Section 1a above.

Assay results from the first 1000 meters of drilling are expected to be available about the end of October, with the overall program expected to be completed in mid December.

### **Trial surface mining suspended during drilling program**

The poor competency of the surface lateritic material has meant trial mining requires significant moving of waste material to enable mechanical mining of the steep gold veins. As a result, efforts are focused on drilling for the veins in the primary or unoxidised rock, to enable more selective mining and significantly less dilution from future mining operations. The photo below shows the competency of the underground drive rock structure, together with the down dip sub vertical extension (approximately 20 meters below surface) of one of the surface veins.

The primary unoxidised ore zone targets are high grade quartz sulphide hard rock vein structures, expected to be processed initially through the existing plant with certain minor modifications.



*Down dip sub vertical extension (approximately 20m below surface) of one of the numerous surface veins*

### **About Kenai Resources:**

Kenai is a Canadian company focused on precious mineral project exploration and development, towards early significant gold production. In addition to the Sao Chico gold project in Brazil, Sao Chico is located within the Tapajós region in Brazil, the site of one of the biggest gold rushes in recent history. Despite the gold rush, little modern exploration has been conducted over the region to date. The Sao Chico project team has extensive experience and expertise of operating within the region, which will provide a focussed and systematic effort to gold production and exploration at Sao Chico.

Kenai has the wholly-owned Quartz Mountain and Hope Butte epithermal gold projects in South-Eastern Oregon, both located in Malheur County, close to the Oregon border with Idaho. Kenai's current indicated and historical gold resources from the two Oregon projects: Quartz Mountain 15,050,200 tonnes at 0.80 g/t Au containing 352,667 ounces gold Indicated Resources (NI43-101 compliant); and Hope Butte: 5,000,000 tonnes at 0.91 g/t Au containing 146,300 ounces (Historical estimate, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.)

On behalf of the Board of Directors of Kenai Resources Ltd

Greg Starr, President and CEO

### **FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed and elsewhere in the company's periodic filings with Canadian securities regulators. The economic viabilities of the resources estimates discussed in the release have not been established and may not be. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.

The technical content of this news release has been reviewed by Kenai's Vice President Technical Services, Neil Cole, who has sufficient experience which is relevant to the style of mineralization under consideration and to the activity which is being undertaken and planned to qualify as a Qualified Person under NI 43-101.