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Company Announcements Office
Australian Securities Exchange

PROJECT UPDATE

SUMMARY :

CRATER MOUNTAIN GOLD PROJECT , PAPUA NEW GUINEA :

- **Benching and Sampling update**

SAO CHICO GOLD PROJECT , BRAZIL :

- **Plant arrival delayed due to shipping issues**
- **Gold processing alternatives being negotiated on GUIA approval**
- **Induced Polarisation survey commenced**

PROJECT UPDATE :

CRATER MOUNTAIN GOLD PROJECT , PAPUA NEW GUINEA

From the company's top camp roughly sub-horizontal benches are being cut southwards through the Nevera prospect on both sides of the ridge. The first bench in this area is positioned on the western slopes cutting through the broad "hematite cap" area which lies largely on the western flank of the ridge and encompasses the artisanal gold mining area.

Benching is also currently progressing through the "cliff zone" in the upper reaches of the mining area creek where previous continuous channel sampling (by Macmin) returned good assays of 54 m at 1.21 g/t Au including 30 m at 1.95 g/t Au.

On the east side of the ridge a bench has been commenced from the top camp which will pass southwards immediately above previous diamond drill hole Nev 11 and below DDH Nev 7 and swing out onto the spur that hosts the drill pads for DDH Nev 2 (BHP), DDH Nev 5 and DDH Nev 8 , before swinging south below the old ridge-top top camp area and onwards towards the Maviana Creek headwaters until terminated by steep rock outcrops. A spur road from this bench will climb back around the main ridge above DDH Nev 7 and pass between DDH Nev 6 and DDH Nev 10, ultimately passing high above the "cliff zone" trenches through an area of previous (TPJ) trenching that also has an artisanal adit from which gold was recovered but abandoned as it was too high on the ridge to have water in close proximity to permit artisanal mining.

Geological mapping and sampling are proceeding. Because of the massive, altered, jointed and fractured nature of the underlying deeply weathered feldspar - (quartz) porphyry, sampling is mostly in continuous 5m channels averaging 8 kg to 12 kg per sample, which when completed are being dried ready to transport for assaying.

SAO CHICO GOLD PROJECT , BRAZIL

Gold production commencement update

Gold Anomaly advises that the arrival of the gold processing plant into Brazil will be further delayed. The shipping agents have advised Gold Anomaly that our two consignments en route to Brazil have missed an onward connection from Panama. The company is currently investigating the latest expected time of arrival.

As a consequence, Gold Anomaly has commenced negotiations on alternate gold processing options once its GUIA has been granted that would minimise any negative cash flow impact.

Induced Polarisation survey commenced

A major component of the exploration program at Sao Chico will be a detailed Induced Polarisation (IP) survey which has now commenced. This is the first step in evaluating the underground hard rock resource potential at Sao Chico. It is also reasonably expected that the IP survey 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.

About Crater Mountain

Gold Anomaly's Crater Mountain project is a widespread gold target area based on gold and base metal anomalies in soils and rock chips over a 3.5km by 2.5km area with a coherent gold-in-soil (>20ppb) anomaly centred on the Nevera volcanic complex.

Previous drilling located an extensive zone of gold mineralisation on the disrupted and brecciated sediment-volcanic contact approximately 300 metres east of an artisanal mining zone. The mineralised contact zone has only been intersected in 5 holes as listed below :

Previous Drilling Results

- 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, inc 25.5 metres at 2.36 g/t Au

The mineralisation contact zone is interpreted to dip west below the high grade artisanal gold mining zone.

Near surface artisanal gold mining has been carried out since 2005 following the discovery of high grade gold mineralisation in trench sampling. While all intervals are anomalous, the best ones are:

Trenching

- 48 metres at 10.20 g/t Au
- 26.5 metres at 6.27 g/t Au
- 45 metres at 2.90 g/t Au
- 35 metres at 3.10 g/t Au

Production from artisanal mining has been from rudimentary shallow workings and gravity separation. The artisanal underground mining has recently been shut down by government authorities. Gold Anomaly will investigate developing its own mining operation after completion of the current road works and benching program.

The project work is being directed by exploration director Peter Macnab. 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 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).

About Sao Chico

Gold Anomaly's Sao Chico project is located along the Tocantinzinho trend which is the most mineralised zone within the Tapajos Mineral Field in Brazil. The Tapajos field was the site of the biggest gold rush in Brazilian history mainly in the late 1970's and 1980s when approximately 500,000 garimpeiros [alluvial miners] rushed to the area to exploit extensive areas of newly discovered alluvial gold. Approximately 20-30 million ounces of gold were produced [unofficial figures] from these operations before the easily won alluvial gold deposits were largely depleted. The Garimpeiros have little expertise in underground mining and environmental considerations and were thus urged by the government to consolidate their small claims and form joint ventures with established mining companies. The area has had little exploration by modern exploration methods compared to any other equivalent gold fields in the world.

The Sao Chico project site is located adjacent to the Trans Garimpeiro Highway [unsealed] and is also serviced by light aircraft from a nearby dirt airstrip. It was the site of an alluvial gold rush and some underground mining of veins within the weathered horizon as well as limited mining in the underlying unweathered sulphide zones. Sampling of the sulphide zone vein material returned an average of 15 g/t Au. Gold grades and production from the weathered zone were reported to be erratic in the supergene zones on some of the veins, and the Company is targeting a grade of around 20g/t from these zones. While a grade of 20g/t gold is being targeted and test work to determine if this is achievable will be undertaken, it should be noted that this grade is conceptual in nature and that there has been insufficient work undertaken to date to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Gold Anomaly's investigations have revealed that the veins are weathered to depths of up to 10m below the alluvial cover and that the weathered veins are amenable to free digging by excavator and high recovery by gravity extraction of gold. The Company plans to mine the weathered vein material by open cut methods to generate a quick cash flow and to provide a better understanding of the mineralisation as part of a feasibility study in preparation for applying for a Mining lease to mine the underlying sulphide zone mineralisation

The initial mining operation will be undertaken under an extraction permit (guia de utilização or "GUIA") which provides for mining and processing of up to 50,000 tonnes of gold mineralised rock per year for up to two years. Over the expected strike length of the originally identified five veins (a combined length of at least 5km) it is anticipated that there is sufficient tonnage available to sustain the operation commencing at a rate of 50 tonnes per day and increasing to 100 tonnes per day after two months

Tailings dam capacity is available and can be readily expanded. There is an ample water supply available from an on-site dam and there is abundant water available from the numerous shafts developed in the area. Access is excellent as the property lies within a cleared farm area and lies along the main arterial road in the region.

Production will commence at 50 tonnes per day (“tpd”) as an open pit operation on the weathered veins at a gold grade 20g/t Expansion to 100tpd is planned within 2 months of commencement (resulting in production of some 2,000 ounces per month). Recovery is via gravity processing and a suitable Plant has been ordered from Gekko Systems of Ballarat in Australia. Two new veins have been discovered recently and the company considers there is excellent potential for the discovery of further gold mineralised veins.

About Gold Anomaly

The company’s immediate focus is commencement of gold mining activities at the high grade gold project at Sao Chico in Brazil and the continuing 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.

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Competent Person Statement for Crater Mountain

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.

Competent Person Statement for Sao Chico

The information contained in this report relating to Exploration Results at Sao Chico 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