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Company Announcements Office
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ENCOURAGING ELECTROMAGNETIC ANOMALIES LOCATED AT SAO CHICO GOLD PROJECT, BRAZIL

Geophysical surveying identifies anomalous conductive zones

Site preparations underway for mine commissioning by early 2011

Summary

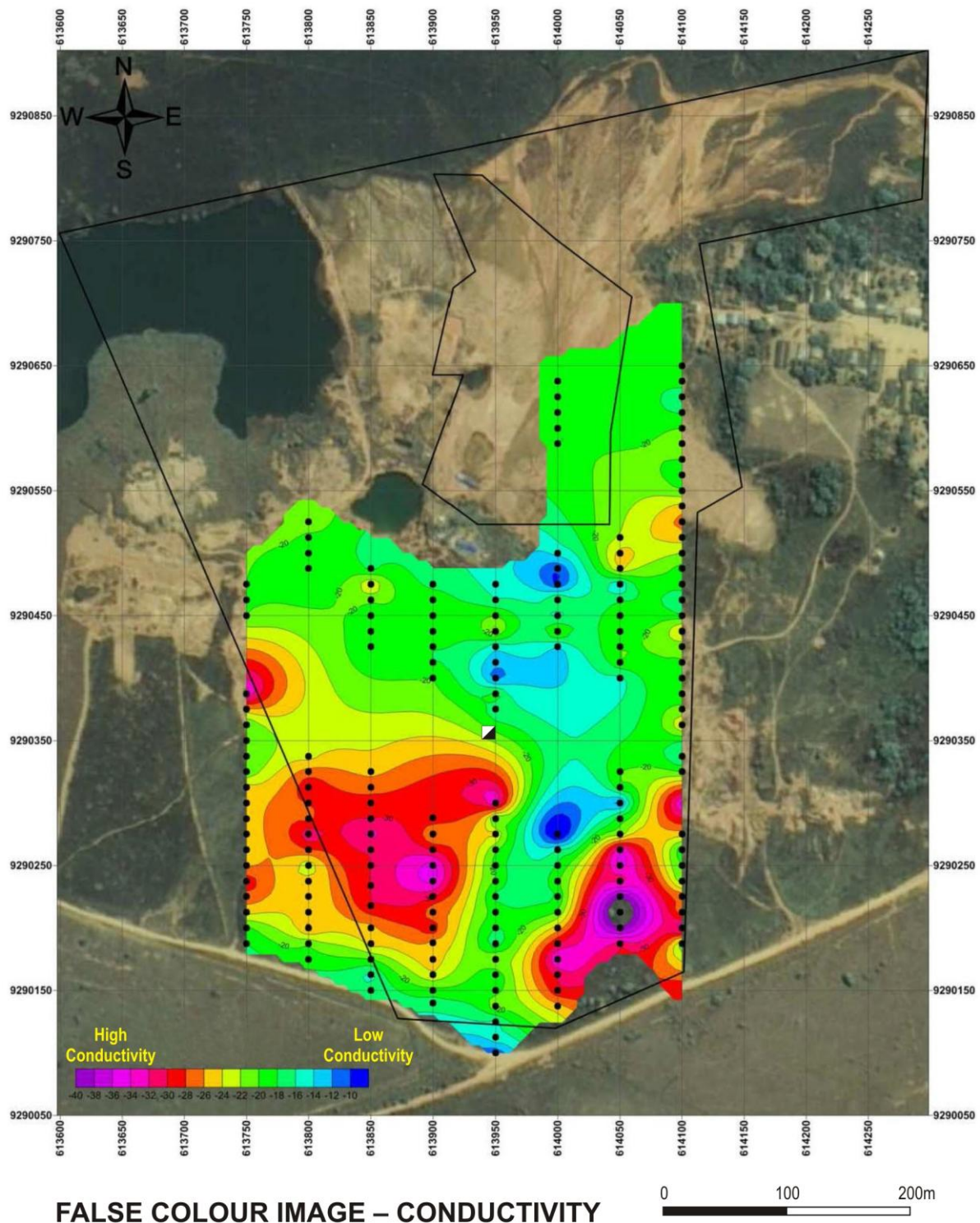
- Initial geophysical surveying by subsidiary Gold Aura Do Brasil Mineracao Ltda (GOAB) of the main vein area at the Sao Chico Gold Project has revealed the presence of two large anomalous conductive zones. Persistence of the anomalism throughout all frequencies indicates significant depth extent.
- The anomalous zones are most likely associated with pyritic mineralised zones in the basement granite.
- Two composite rock grab samples of pyritic granite from a nearby mine shaft returned encouraging assay results of 1.61 and 36.03 g/t gold and as previously reported, similar pyritic samples from the nearby Sao Chico Vein No1 returned an average assay result of 15.0 g/t gold.
- A recent trench in the anomalous area intersected old garimpeiro workings and a 4.45m zone of stockwork veining.
- Follow-up induced polarisation (IP) geophysical traversing has been undertaken and is currently being interpreted. The results will be used to select targets for further trenching and drilling testing.
- Site preparation underway for installation of the processing plant with commissioning anticipated early 2011.

Gold Anomaly Limited (ASX: GOA) is pleased to report encouraging exploration results from the company's most advanced asset, the Sao Chico Gold Project in Brazil.

Gold Anomaly's wholly owned subsidiary, Gold Aura Do Brasil Mineracao Ltda ("GOAB"), has completed an initial horizontal loop electromagnetic survey (HLEM) over the main vein zone at Sao Chico. The survey has revealed the presence of two large anomalous conductive zones, most likely associated with pyritic mineralised zones in the basement

granite. Persistence of the anomalism throughout all frequencies indicates significant depth extent.

ELECTROMAGNETIC (HLEM) RESULTS, SAO CHICO, BRAZIL



The Waldimiro shaft is located at 0613945E/9290353N as shown on the map.

Commenting on the results, Gold Anomaly Chairman Mr Greg Starr said, “the results are promising, providing excellent data for our current trenching and upcoming drilling programs. The timing is ideal, at a time when gold is above US\$1,350 an ounce and with mining operations set to commence in early 2011.

“Cashflow from Sao Chico will assist in advancing our flagship asset, the Crater Mountain project in PNG, where the commencement of our maiden 2,500 metre drilling programme is imminent,” Mr Starr added.

The HELM survey was undertaken along a series of 50 metre spaced N-S orientated lines over the main Sao Chico gold vein area. Several regional traverse lines were also surveyed and were randomly selected within the AP to the east (1.0km, 1.5km and 4.5km) of the main prospect area.

The larger of the two conductivity anomalies was delineated immediately south of the main vein along which a drive was developed from the Waldimiro shaft on Sao Chico Vein No 1. From what is currently known of the area, it would appear that the anomaly is associated with base metal sulphides. Two composite rock grab samples of pyritic granite obtained from an old garimpeiro shaft on the northern edge of this area returned encouraging assay results of 36.03 g/t and 1.61 g/t gold and as previously reported, similar samples from the nearby Vein No. 1 drive returned an average assay result of 15.0 g/t gold (based on some 100 rock samples).

Further south into the anomalous zone, a recent trench (21) area intersected old garimpeiro workings and a 4.45m zone of stockwork veining. Three channel samples from within this zone returned assays of 1.02 g/t gold, 2.89 g/t gold and 11.34 g/t gold. Given that it is known that there is a nuggetty gold sampling problem at Sao Chico, these results are considered to be significant and all samples found to be in excess of 1.0 g/t gold are being targeted as potential feed material for the plant as it is interpreted that mined bulk grades will approach the targeted grade of 20 g/t gold. While a grade of 20g/t gold is being targeted and both test work and mining 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

A large conductive anomaly was also delineated some 100 metres to the east of the main zone (where veins are known) and discrete conductive anomalies were also detected on the two traverse lines 1.0 and 1.5 km to the east. The latter two areas require follow-up as there are no veins known in these areas.

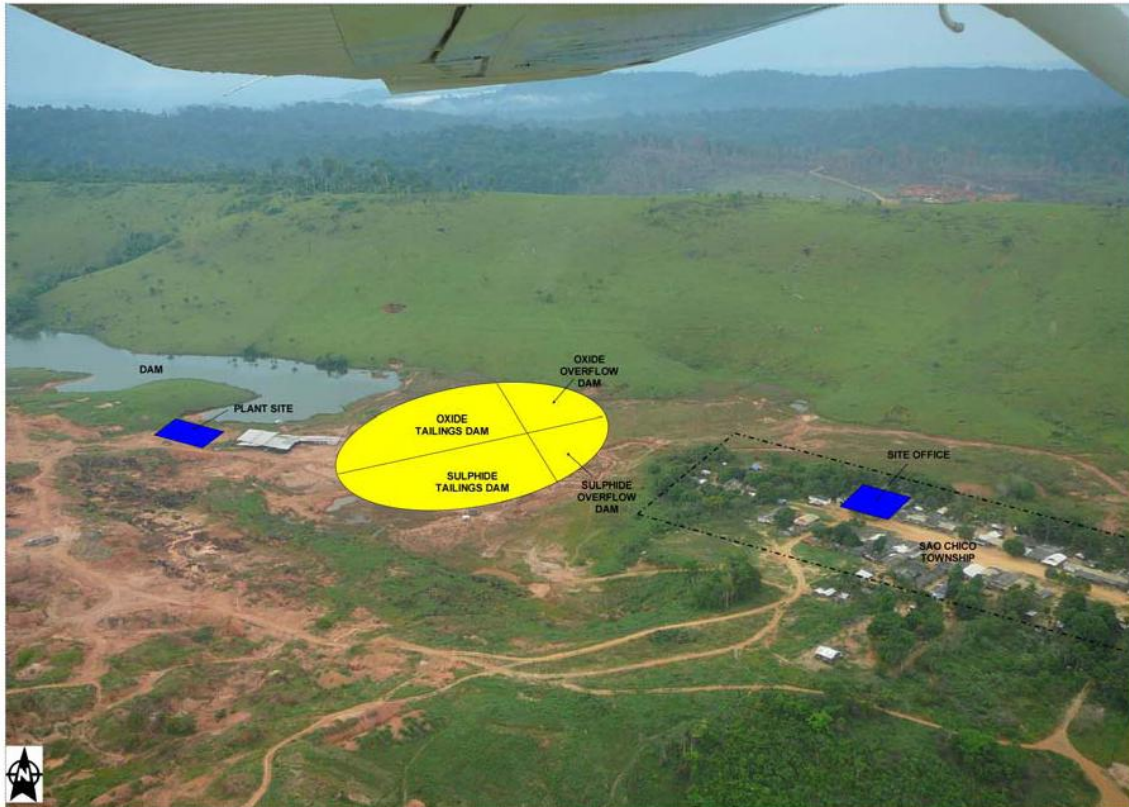
Follow-up induced polarisation (IP) surveying has been undertaken and the data is currently being interpreted to further define the conductivity anomalies and to select targets for trenching or drill testing.

Work at Sao Chico is currently focussed on preparing the site for installation of the processing plant with commissioning anticipated early 2011.

The plant has a design capacity of over 100,000 tonnes per annum (20 hours per day, 30 days per month). The design capacity provides GOA with the opportunity to considerably ramp up production with further exploration success, as open pit mining of gold bearing veins is targeting 50 tonnes of ore per day before progressing towards the planned production rate of 100 tonnes per day (30,000 tpa). At the targeted grade of 20g/t, it is anticipated that production of gold at low cost will be 20,000 recovered ozs per annum. 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 hence, it is uncertain if further exploration will result in the determination of a Mineral Resource. GOAB recently advised that it has commenced a Feasibility Study (FS) on the economics of underground mining of the gold vein shear systems at Sao Chico on behalf of the owner, Waldimiro Martins. A major component of the FS is the recently completed Induced Polarisation (IP) survey of the main vein area following electromagnetic (EM) surveying. Other work will include stream sediment sampling, drilling, soil sampling, rock sampling,

geological mapping and petrology. More detailed follow-up will be undertaken on delineated IP and EM anomalies. If as expected the FS indicates a commercial operation would be economic, a Mining Lease will be applied for.

Trenching work undertaken to date has exposed significantly more veins than the original five identified in the main prospect area and it is expected that further veins will be located by the ongoing trenching program and the recently completed IP surveying.



Aerial view of Sao Chico gold mining site

About Sao Chico

The Sao Chico project is located along a prominent NW-SE 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 1970s 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 and is also serviced by light aircraft from a nearby dirt airstrip. Previous sampling of the sulphide vein material by GOAB returned an average assay of 15g/t Au determined from over 100 samples. Gold grades and production from the weathered zone were reported to be erratic in the supergene (weathered and oxidised) zones of the veins and on the basis of the identified nuggetty gold problem at Sao Chico, 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.

GOAB'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. Preliminary test work has indicated that a high gold recovery can be achieved by gravity concentrating techniques. The Company plans to mine the weathered vein material by open cut methods under the GUIA licence 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 GUIA trial use permit 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 five identified veins (an expected combined length of at least 5km), it is anticipated that there is sufficient tonnage available to sustain an operation commencing at a rate of 50 tonnes per day and increasing to 100 tonnes per day after two months. At the targeted gold grade of 20g/t (see comment above), monthly production of around 2,000 ounces would be expected. Gold recovery will be undertaken via gravity concentration and an integrated gravity processing plant has been purchased from Gekko Systems in Australia. Site preparation is underway for installation of the plant with commissioning anticipated early 2011.

Tailings dam capacity is available and can be readily expanded as required. 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.

GOAB considers there is excellent potential for the discovery of further gold mineralised veins during the feasibility study exploration program currently underway. New veins are being discovered by the ongoing trenching program and it is expected that more will be progressively exposed or defined by the ongoing geophysical traversing.

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 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