
ASX ANNOUNCEMENT

08 October 2010

PROJECT UPDATE – CRATER MOUNTAIN, PNG

Potential for near-term, open cut mining operation

Drilling program being planned

Gold Anomaly Limited (ASX: GOA, “Gold Anomaly”) is pleased to provide an update on the development and timetable of the company’s flagship project, Crater Mountain in PNG.

Crater Mountain, which previous explorer BHP considered a Tier 1 asset prior to withdrawing from PNG for strategic reasons, has, through the results outlined below, demonstrated potential similar to other world-class gold deposits elsewhere in the New Guinea Orogen such as Porgera, Hidden Valley, Grasberg and Ok Tedi (see Figure 1).

Exploration activities at Crater Mountain are currently focused at the Nevera Prospect. The Company’s expectation that the area offers potential is supported by the number of extensively mineralised intercepts in previous drilling and artisanal workers who commenced small scale gold recovery operations in the area in 2005. The company is currently progressing mechanized benching and channel sampling ahead of 3D modelling in the area, to enable the better definition of drill targets.

As a result of the encouraging data generated by the benching, Project Manager Peter Macnab has established the following schedule of key events:

October 2010

- Completion of data collation
- Review of results and establishment of conceptual model and drill targets
- Signing drilling contract

November 2010

- Commencement of drilling program including the testing of both deep and shallow drilling targets

December 2010

- Submission of an application for small scale mining lease over shallow surface oxide zones of gold mineralisation.
- On-going drilling

It is anticipated that the drilling program and the analysis of the drilling results will be completed early in 2011. The drilling program will include deep drilling to further define the deposit’s potential.

Analysis of the small scale open cut mining operation will also be undertaken at this time. The Company is optimistic that a small scale mining operation can be commenced in the second half of 2011.

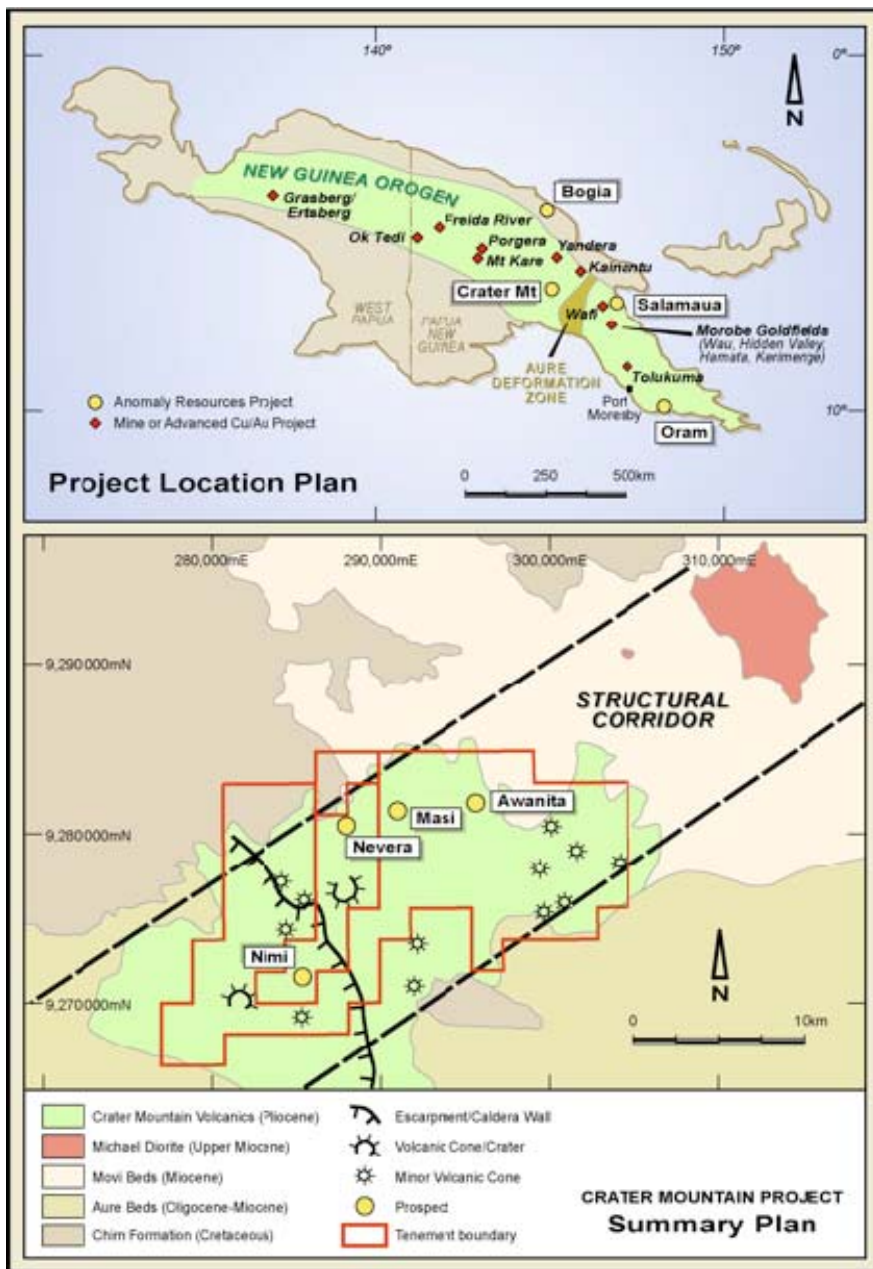


Figure 1

Gold Anomaly’s Chairman Greg Starr said, “Early indications from our exploration programmes have been positive, supporting our view of the Crater Mountain potential.

“Given the recent presence of artisanal mining and identification of a weathered oxide gold zone at Nevera, we believe that the potential to advance a small- to mid- scale open cut gold operation in the near-term is encouraging”.

“With plans for our maiden drilling programme underway, the company anticipates steady newsflow in the year ahead.”

“One of our leading assets is the quality of our exploration team, led by director Peter Macnab. Given Peter’s remarkable track record of discovering world class deposits in PNG, including Lihir’s 50Moz gold deposit, we are certainly in great hands to tap into Crater Mountain’s potential,” Mr Starr added.

About Crater Mountain

As detailed in previous announcements, Gold Anomaly's Crater Mountain project in PNG is a widespread gold target area spanning 3.5km by 2.5km area with what the Company believes is the potential to host a world class gold and copper deposit.

The project work is led by exploration director Peter Macnab. Peter 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 (plus 45m ozs gold) as well as being the discoverer and/or co-discoverer of other world class deposits in PNG including Wafi (7m ozs gold), Frieda River (7.5 m tonnes copper, 14.3 m oz gold), Misima (3.7m oz gold) and Simberi (5.7m oz gold).

ABOUT GOLD ANOMALY

Gold Anomaly (GOA) is an ASX-listed junior company focussed on advanced projects in Papua New Guinea. Based on the results to date (see details above) and the experience of Peter Macnab, Gold Anomaly's Director of Exploration, the company's flagship project is the Crater Mountain gold project which has the potential to become a multi-million ounce gold deposit. This potential should be considered recognising that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The Company is also focussed on the commencement of gold mining activities at the high grade gold project at Sao Chico in Brazil. 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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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.