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Company Announcements Office  
Australian Securities Exchange

## **SAO CHICO GOLD PROJECT, BRAZIL UPDATE**

- **Engagement of key Geological Consultant Exploration Alliance Ltd**
- **Engagement of key Engineering Personnel and Project Manager D.E.N.M. Ltd**
- **Commencement of infrastructure improvements on site**
- **Commencement of plant foundations construction**
- **Plant progressing through Customs**

Gold Anomaly Limited (“**GOA**”) is pleased to announce further progress towards early gold production at its Sao Chico Gold Project in Brazil. As previously announced, Kenai Resources Ltd (TSX-V Code: KAI (“**Kenai**”)) has signed an option agreement with GOA to acquire an initial 50% in the project with further options to progress in stages to 75% and 100%. Kenai are currently seeking TSX-V approval before proceeding with the agreement.

### Engagement of key Geological Consultants Exploration Alliance Ltd

Exploration Alliance Ltd (“EAL”) has been engaged to coordinate and direct the technical work towards the demonstration of defined mineral resources at Sao Chico. EAL is well experienced in the region and has been involved with world class deposits. It is the author of the recent NI 43-101 technical report on Sao Chico commissioned by Kenai.

A core early objective is to demonstrate over approximately the next year an initial defined mineral resource for Sao Chico in NI 43-101 compliant terms. Based on Gold Anomaly’s prior work and interpretation, the initial target is 250,000 oz of gold averaging 15g/tonne.. While this is being targeted and test work to determine if this is achievable will be undertaken, it should be noted that the potential quantity and grade is conceptual in nature, 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.

The project is located 54 kilometres south-east of the 2 million ounce gold resource Tocantinzinho project recently acquired by Eldorado Gold Corp and 23 kilometres south-west of the established Palito underground gold mine owned by Serabi Mining plc, in which Eldorado Gold Corp acquired a 26.8% equity interest in June 2010 .

### Engagement of Key Engineering Personnel and Project Manager D.E.N.M. Ltd

D.E.N.M. Ltd (“DENM”) has been engaged as Project Manager for the early commencement of gold production at Sao Chico which is targeted before the end of 2010.

DENM has extensive experience with the establishment of small scale gold projects in South America, Central America and Mexico and has over the past two years been involved with the Sao Chico project.

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## Commencement of Infrastructure Improvements and Pre-Production Works at Sao Chico Site

Extensive preparatory work is now being undertaken at Sao Chico, mainly covering several infrastructure improvements together with preparations for the installation of the gravity processing plant currently being imported to Brazil.

The infrastructure works include building of additional camp accommodation units, pictured below, with an expanded mess, camp rewiring, water supply and sanitation, enhanced communications, local roads and airstrip upgrade.



Work on the preparation of plant site foundations has recently commenced, with preparing the footings for the foundations for the slab on which the gravity plant and ancillary equipment are to be mounted, as seen in the photo below.



The gold gravity plant concentration units along with ancillary plant items sourced by Gold Anomaly from Gekko Systems have recently arrived in Brazil. The new equipment has now

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been cleared through Customs and it is expected that the used equipment will be cleared within the next week. When completed, the plant will be transported to Sao Chico.

It is expected that it will be possible for the gravity plant installation and commissioning to be completed in time to allow initial gold production to commence by the end of December.

### **About the Sao Chico Project:**

The Sao Chico gold project, operated by GOA's wholly owned subsidiary, Gold Aura do Brasil Mineracao Ltda (GOAB), is the subject of a recently announced Option Agreement dated September 21, 2010 between GOA and Kenai. The Option Agreement, along with the recent NI 43-101 report commissioned by Kenai and supporting papers, have been lodged with the TSX-V for approval, which is now awaited.

The Option Agreement provides Kenai with the right to acquire initially 50% and thereafter in stages to 75% and 100% of the Sao Chico gold project. The project is subject to an existing 40% net profit sharing agreement ("NPI") and a royalty equivalent to US\$8.80 per ounce of gold production, payable to the owner (Waldimiro Martins – "WM") of the mining rights.

The Sao Chico project is centred at 6.41°S 55.94°W, 240 kilometres south of the city of Itaituba and 580 kilometres south-east of the major inland port city of Manaus. It is located in the emerging Tapajós Gold District, 54 kilometres south-east of the Tocantinzinho project recently acquired by Eldorado Gold Corp and 23 kilometres south-west of the established Palito underground gold mine owned by Serabi Mining plc, in which Eldorado Gold Corp acquired a 26.8% equity interest in June 2010. Mineralisation at Sao Chico is located within the same geological sequences that host the Tocantinzinho and Palito gold projects.

The Sao Chico project is within a single Authority to Prospect exploration permit, AP12836, of 1416 hectares, within which there is a small trial-mining permit (locally, "GUIA") covering 56.5 hectares (both properties currently held by WM). The GUIA covers the area of historical garimpeiro or artisanal mining and allows for 50,000 tonnes to be mined and processed up until June 6, 2011, with the possibility of a 12 month extension for a further 50,000 tonnes. An application for renewal has been lodged covering a further three year term for the enclosing AP12836 from November 30, 2010, when the current term expires.

### **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

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