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PROJECT UPDATE - CRATER MOUNTAIN, PNG

First drill hole of 2,500m drilling program completed

Gold Anomaly Limited (ASX: GOA) is pleased to announce the completion of the first drill hole of its maiden 2,500m drilling program on the Nevera Prospect at Crater Mountain in the Eastern Highlands of Papua New Guinea.

Diamond drill hole NEV 18 was drilled to the maximum capacity of the rig to a total depth of 594.6 metres on 20th January. The hole targeted the intersection of two major elongate zones of mixing zone mineralization in the base of the historic water table, interpreted from the results of the mechanical benching and channel sampling program in the second half of 2010, and will shed light on the existence of a possible feeder system at depth beneath the intersection.

The rig has since been moved to the NEV 19 drill site with drilling now underway there.

Commenting on Crater Mountain, Gold Anomaly's Executive Chairman Mr Greg Starr said, "We are very pleased with the progress of the drilling program. Visibly, the core is well fractured with visible sulphide development at depths well beyond historical drilling. We are now in the process of organising assay results, which we anticipate to report within the next quarter," Mr Starr added.



New top camp with NEV 18 above bench in middle of photo

From surface to approximately 236.0 m depth, DDH NEV 18 penetrated feldspar porphyries of mixed volcanic and intrusive origin of the Nevera Igneous Complex, a dacite dome making up an integral part of the Pliocene to Recent Crater Mountain Volcanics which were intruded into and overlie the Mesozoic Chim Formation regional basement. The rock is phyllically altered and variably fractured and pyrite veined. At this depth, the drill passed through roughly 4.0 m of massive coarsely crystalline pyrite with numerous small cavities lined with pyrite prisms and scattered quartz crystals up to 1 cm long, as well as minor galena and sphalerite.



Massive pyrite in NEV 18 drill core at approximately 236 m depth, with quartz crystals in cavities and minor associated galena and sphalerite

From this depth to the bottom of the hole at 594.6 m the core is pervasively phyllically to argillically clay altered massive light-coloured siltstone of the basement Chim Formation which is variably but commonly strongly sulphide veined in numerous joints, fractures and stockworks. Sulphide veining is mostly pyrite, in some cases with minor sphalerite and galena and rare chalcopyrite; common veinlets of unidentifiable fine dark sulphides are possibly largely pyrite but are likely to include mixed base metal sulphides. Multiple generations of veining are apparent. Carbonate and some quartz is present as gangue in many veins with quartz veining increasing in the lower part of the hole. Well-developed light- to dark-coloured alteration selvages are common.



Veining in siltstone in NEV 18 drill core at about 488 m depth

The composition and character of the veining and alteration in the lower part of the drill hole has affinities to primary magmatic mineralization suggesting that the hole has indeed penetrated a feeder for the overlying mixing zone mineralization. Primary carbonate-(quartz)-base metal sulphide-gold veining above and peripheral to porphyry copper is a good source of gold in many mineralized systems, including Hidden Valley in Papua New Guinea which was recently brought into production as a large open pit gold mine. Petrography and mineralogy will be necessary to determine the full history of alteration of the rocks in this drill hole as well as the paragenesis of the mineralisation. The drill core is being logged and split by a diamond saw, and the first shipment of samples will shortly be sent out for assay.

A full report detailing assay results of the mechanical benching and channel sampling program carried out in 2010 is nearing completion. The report will outline the impact of the new data on our interpretation of the mineralisation model in the northern part of the Nevera Prospect, and assist in delineating additional targets for the current drilling program. This report will be presented when complete, along with a more detailed account of drilling to date.

For further information contact:

Ken Chapple
Executive Director
Mb: +61 (0) 418 758 301

Greg Starr
Executive Chairman
Tel: +61 2 9241 4224

For media enquiries contact:

Robert Williams
FCR
Tel: +61 2 8264 1003

or visit the website www.goldanomaly.com.au

The information contained in this report relating to exploration results at Gold Anomaly's Crater Mountain project is based on information compiled by Mr Peter Macnab, Director of Gold Anomaly Limited. Mr Macnab is a Fellow of the Australian Institute of Geoscientists 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 Macnab consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.