

## QUARTERLY ACTIVITIES REPORT For the Period Ended 31 March 2010

### ABOUT GOLD ANOMALY (ASX CODE: GOA)

The Company's immediate focus is commencement of gold mining activities at the high grade gold project at Sao Chico in Brazil and continuation of 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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### KEY POINTS

#### Sao Chico, Brazil (100%)

- Due to delays in securing documentation for importation licence approval, the processing plant is now scheduled for despatch from Australia first half of May with delivery to site expected in the second half of July.
- Site works for installation of the plant are in progress.
- A decision on the granting of a GUIA and associated environmental licence which would allow the mining of up to 50,000 tonnes of gold mineralisation per annum is awaited.
- After a period of commissioning, it is expected that gold production will be commenced by mid-August.

#### Crater Mountain, PNG (51% earning to 70%)

- Road access to the project area has commenced and it is expected that the edge of the Nevera Prospect will be reached by the end of April.
- It is expected that benching and channel sampling of the Hematite Cap target area will be commenced in May.
- Priority will be given to planning for mining of the shallow supergene gold zone and selection of further targets for the drilling program that will follow completion of the road works.

#### Fergusson Island Gold Project, PNG (67%)

- The outcome of our tenement renewal application for the Gameta EL 1070 and request for extension of the Bankable Feasibility Study completion is awaited.
- A Warden's Hearing for the EL 1070 renewal was held on site 21 April to evaluate landowner support for the project.

#### Capital Raising

- The placement of 128.5 million shares negotiated during the December Quarter was completed during the quarter with the issue of 31.5 million shares to raise a further \$1,102,500,
- Following the end of the Quarter, the Company entered into a funding facility with Springtree Global Investors LLC.

Exploration and Development activities increased during the Quarter mainly as result of activities recommencing at Crater Mountain. Exploration activities during the quarter totalled \$455k and development activities totalled \$314k.

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## **SAO CHICO GOLD PROJECT – NORTHERN BRAZIL (GOA 60%)**

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### **BACKGROUND AND SUMMARY TO DATE**

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.

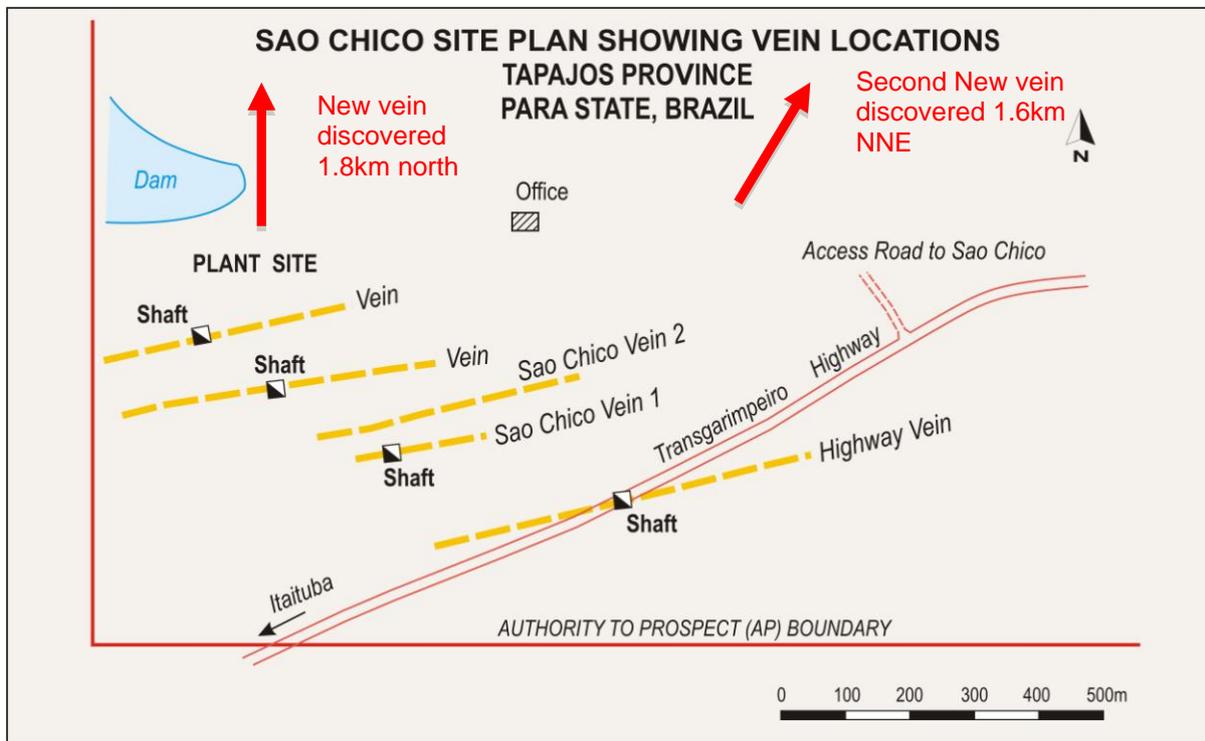
The Sao Chico project site is located adjacent to the Trans Garimpeiro Highway [unsealed] and is also serviced by light aircraft from a nearby dirt airstrip. It was the site of an alluvial gold rush and some underground mining of veins within the weathered horizon as well as limited mining in the underlying 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 for mining 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 with only minimal repair works required 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.



The Company is developing Sao Chico under an Agreement with Waldomiro Martins, the current legal owner of the Sao Chico Mineral Rights. Prior to this Agreement, Waldomiro Martins had entered into an agreement with Brazilian citizens Ademir and Jandira (A&J) for a similar arrangement. However, this agreement is currently being contested by Waldomiro. In the event A&J's agreement with Waldomiro is confirmed, GOA also has an agreement with A&J that would result in the same benefits to GOA.

A final Ruling of the Itaituba Court is now pending as to whether or not Waldomiro's Agreement with A & J will stand or be annulled. GOAB will work on the development of Sao

Chico with whichever of the two contesting parties wins the right to the ownership of the Sao Chico property.

## **DEVELOPMENTS DURING THE QUARTER**

### **Plant Shipment**

As a result of documentation delays encountered in the application for an importation licence, the company has delayed shipment of the plant to Brazil. It is now scheduled to leave Australia early May and arrive in Brazil towards the end of June. While regrettable, the high penalty fees levied for equipment arriving without the appropriate licences have dictated this decision.

### **Exploitation Licence**

Applications for the necessary environmental and GUIA licences have been submitted and a decision is awaited. The GUIA (which can be renewed for a second one year term) will allow the mining of up to 50,000 tonnes per annum of gold mineralised rock, while a feasibility study is undertaken for a larger scale mining operation which would be conducted under a Mining Licence.

### **Preparation for Plant Construction**

It is expected that the Plant will clear customs and be delivered to Site in the second half of July. Necessary plant site infrastructure and support frame work will be undertaken and completed before arrival on Site so that the Plant can be rapidly installed and commissioned enabling gold production to be commenced by around mid-August.

A survey grid has been established at Sao Chico and mapping has been commenced. This work will provide an accurate base map for planning purposes. Sampling work is in progress to determine the crushing size of the plant oversize material to achieve optimum gold recovery.

### **Sampling**

Samples representative of planned plant feed have been collected and are awaiting test work to determine the best preparation criteria (e.g. grain size for optimum gold recovery). Test work has commenced with initial results expected to be received by the mid-May. The initial results will determine the remaining test work that needs to be undertaken.



**Aerial View of Sao Chico**

## **CRATER MOUNTAIN – COMMENCEMENT OF ROAD ACCESS AND BENCH SAMPLING (GOA 51%, EARNING 70%)**

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### **BACKGROUND AND SUMMARY TO DATE**

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.

#### *Drilling*

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

- 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, incl 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 and is potentially up to 150m wide and open at depth and along strike.

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 small scale mining operation after completion of the current road works and benching program.

As a major step advancing exploration on the Crater Mountain project, an upgrade of the existing road and 15,000m of additional road work and contour benching at Nevera is being undertaken.

The benching will expose the weathered bedrock in critical areas of the Nevera complex, including the current artisanal mining area, which is covered by a thin layer of volcanic ash. This will enable channel sampling and geological mapping that will further define the current drill target zone and outline additional drill targets. It will also facilitate the planned drilling and the investigation of the potential for the company to fast track a small scale surface mining operation.

While there was an expectation that the road would be complete by the end of March various small issues have resulted in around a 4 week delay. The Company now anticipates that the earthmoving machinery will have reached the edge of the Nevera Prospect by the end of April.

## DEVELOPMENTS DURING THE QUARTER

The bulldozer and excavator have now moved beyond the end of the pre-existing road base at Kusi and are now cutting a new road, crossing the Maviana Creek and then up a ridgeline to the Nevera Prospect passing within several hundred metres of the company's Mamati base camp.

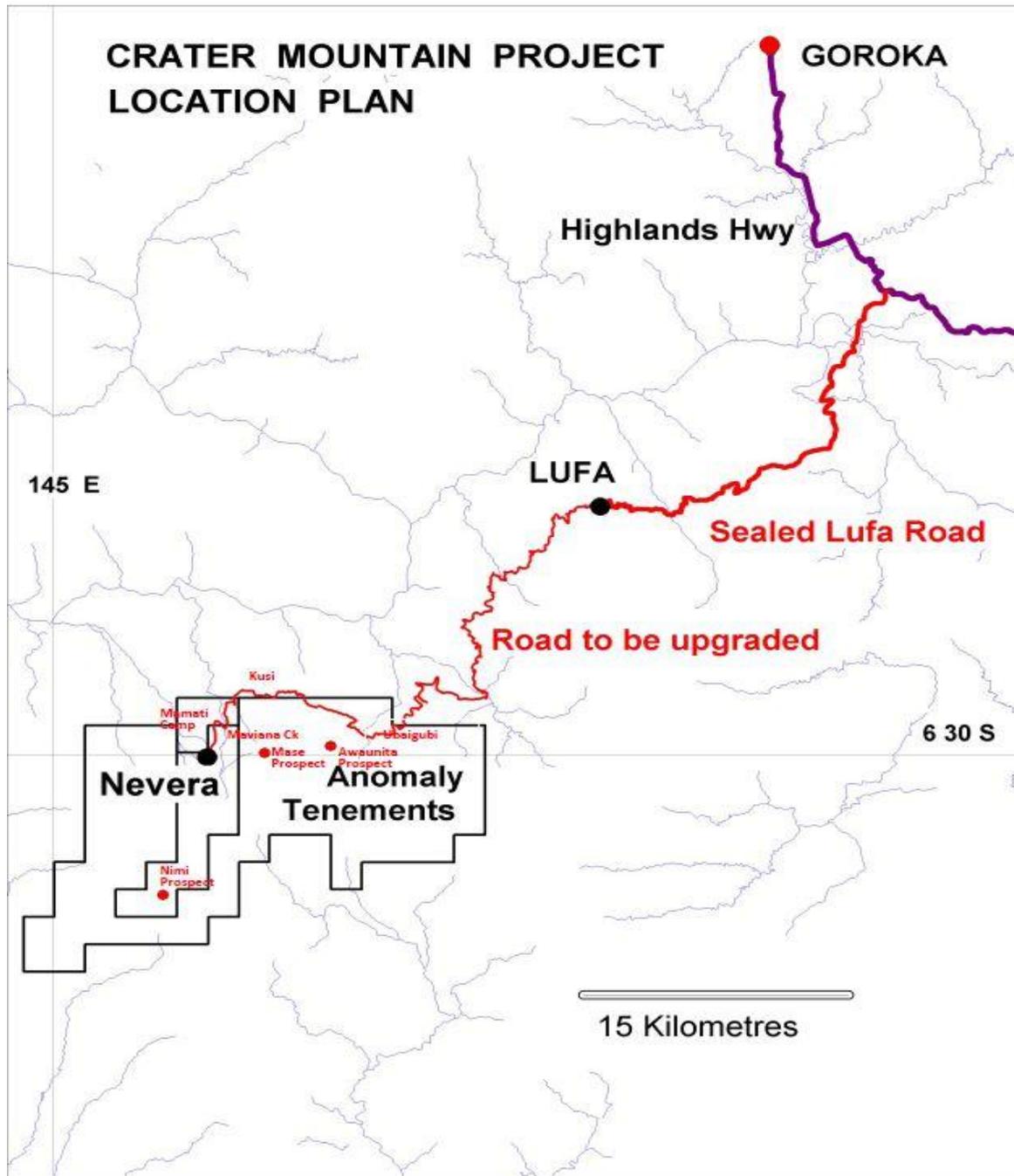


Figure 1 – General road Map

From Maviana Creek the machinery will move south along the steadily rising ridge for a kilometre to the northern boundary of the Nevera Prospect's extensive soil sampling grids, where a second camp (top camp) will be established, to serve both the earthmoving operators and future drill crews as well as the company's technical staff (considerably shortening walking time and effort from the Mamati base camp to work sites). The machinery

will cross the periphery of the Nevera Prospect in this one-kilometre section, with the main portion of the Prospect extending for three kilometres south from the proposed top camp.

From the elevation of the proposed top camp roughly sub-horizontal benches will be cut south through the Prospect on both sides of the ridge, with the first bench positioned on the western slopes to cut through the broad Hematite Cap area which lies largely on the western flank of the ridge and encompasses the artisanal gold mining zone. The artisanal miners have shown company personnel the results of their prospecting for gold which has located a number of new gold occurrences in rock, eluvium and alluvium in a broad area surrounding their current workings but which they were unable to work because of lack of water this high on the ridge.

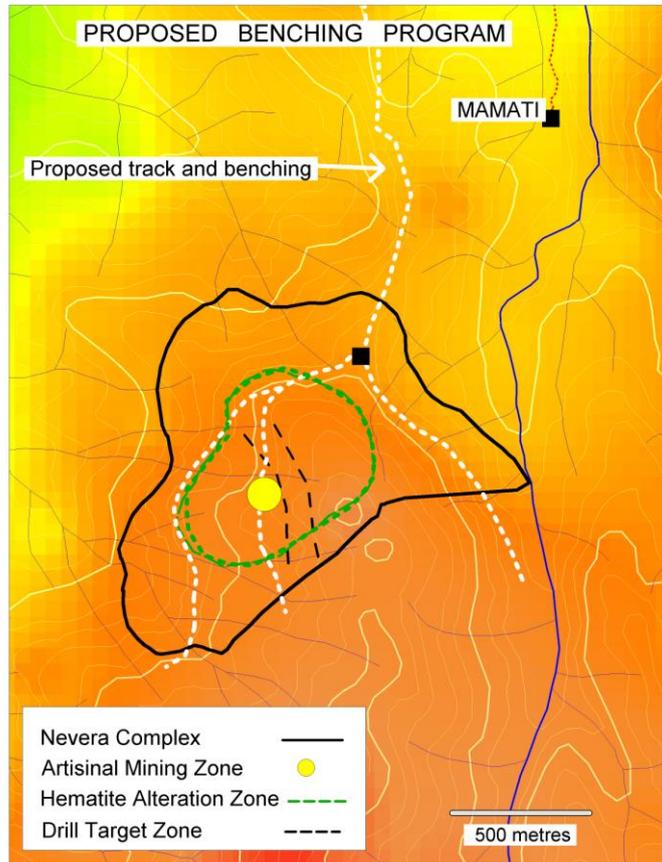
Priority will be given to mapping and sampling the Hematite Cap area as the earthmoving machinery progresses through it. The Company believes its present knowledge of mineralization in this area highlights the potential for highly profitable small- to medium-sized shallow supergene gold mineralisation that can be open cut, in combination with mining the near surface narrow high-grade gold veins. This small scale mining will finance the further work identifying the potential long term large scale Crater Mountain opportunity.

As well as giving access to the Nevera Prospect, the access road used and partially upgraded by the earthmoving machinery on its way in greatly improve access to two other of the Company's prospects that have limited exploration work because of remoteness from infrastructure.

Shortly before reaching Ubaigubi the access road entered Gold Anomaly's exploration licence area EL 1353, passing within several kilometres of the company's Awaunita Prospect after crossing the stream below Ubaigubi. In this prospect area extensively argillised diorite stocks intrude Mesozoic sedimentary rocks and fringe units of the young Crater Mountain volcanics. Several generations of limited prospecting produced broad low gold anomalies and scattered anomalous base metal results from stream sediment, pan concentrate, rock chip and soil assays.

The road will also greatly increase the accessibility of the Masi Prospect located three kilometres east of the Nevera Prospect. The Masi Prospect comprises felsic porphyries and intermediate intrusions into Mesozoic sedimentary rocks and Crater Mountain volcanics, with porphyry style alteration and mineralization. Chalcocite disseminations and fracture linings have been identified in the porphyries and traces of chalcopyrite, galena and sphalerite line fractures in hornfelsed sedimentary rocks. Limited fieldwork returned two gold-in-stream sediment best values of 0.9 ppm and 0.2 ppm Au and a rock chip gold assay of 2.8 g/t Au.

It is expected that the works will be complete and sampling results available late June.



**FERGUSSON ISLAND GOLD PROJECT, PNG (GOA 67%)**

**BACKGROUND AND SUMMARY TO DATE**

The company currently owns 67% of the Papua New Guinea (PNG) Fergusson Island Gold Project (the Project) with Yamana Gold Inc (Yamana - TSX:YRI) owning the remaining 33% interest.



Location of the Wapolu & Gameta tenements, Fergusson Island, PNG

On 16 November 2009 it was announced that under an Agreement being finalised with Yamana, GOA will be acquiring Yamana's 33% taking GOA to 100% ownership. Further, as a result of

revising a previous Agreement with Yamana, Bactech Mining will provide specialist metallurgical services for inclusion in the Bankable Feasibility Study on the project at no cost.

The Project consists of two gold deposits, Wapolu and Gameta, which are located 30 kilometres apart on the NW and NE corners of Fergusson Island respectively, in Papua New Guinea. Since 1996, over \$15M has been spent by GOA and Yamana on the Project. Both properties are accessible by low cost water access due to their close proximity to the coast. Landowners are supportive of the Project and its potential commercial development.

A 2004 Pre-Feasibility Study (PFS) undertaken on the Project by GOA indicated the potential for economic gold development from production of 600,000 t to 1Mt of ore per annum assuming the presence of sufficient mineralization at Gameta and Wapolu combined to sustain operations for at least 7 to 12 years and assuming a gold grade of 2.0 to 2.2 g/t from sulphide ores for production of between 32,000 and 55,000 ounces of gold per annum. The study assumed a gold price of USD 400 per ounce.

### **Gameta**

The 2004 PFS undertaken by GOA indicated the potential for economic development from production of 600,000 t to 1Mt of ore per annum assuming the presence of sufficient mineralization to sustain operations for at least 3 to 5 years and assuming a gold grade of 2.2 g/t from sulphide ores. An infill drilling program to provide additional data for a deposit size and grade estimate is more than 50% completed. One of the highlights of the drilling to date has been the discovery of much thicker mineralization than previously encountered. GOA therefore feels that the deposit size will ultimately be sufficient to sustain a commercial operation as envisaged in the pre-feasibility study. To date 192 RC holes, 273 air-core holes and 32 diamond core holes have been drilled.

### **Wapolu**

Significant gold mineralization has also been outlined at Wapolu which is located approximately 30 km from Gameta. The 2004 PFS indicated that mining could be economically undertaken at Wapolu after the completion of operations (3 to 5 years) at Gameta, assuming production of 600,000 t to 1Mt ore per annum and a gold grade of 2.0 g/t and assuming sufficient mineralisation to sustain a further 4 to 7 years of operations. If production commences at Gameta, the Wapolu deposit would be infill drilled to further define the gold deposit size and grade estimate within 3 to 5 years. To date, previous exploration has involved 227 RC holes, 272 air-core drill holes and 97 diamond core drill holes.

## **RECENT DEVELOPMENTS (SUBSEQUENT TO THE END OF THE QUARTER)**

A Warden's Hearing for the Gameta EL 1070 renewal was held on site 21 April to evaluate landowner support for the project.

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### **CROYDON PROJECT – NORTH QUEENSLAND (GOA 100%)**

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No field work was undertaken on this project during the quarter.

As there are two high priority gravity targets for drill testing (G1 and G3), a joint venture partner is sought to undertake the required program.

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## **CAPITAL RAISING**

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### **Completion of 2009 arranged placement**

The Company negotiated terms for a placement of up to 128.5 million shares at \$0.035 (3.5 cents) per share to various professional and sophisticated investors to raise \$4.5 million. The Lead Manager for the placement was Martin Place Securities.

97 million shares were issued in the December 2009 Quarter raising \$3,395,000. Approval to issue the remaining shares to raise approximately \$1.1 million was obtained from

shareholders at the General Meeting held 31 December 2009. The placement was completed 31 March with the issue of 31,500,000 shares to raise a further \$1,102,500 (of which \$318,913 is subject to a promissory note and will result in collection in May. The funds are being used for exploration of the Crater Mountain and Sao Chico gold Projects, mine development at the Sao Chico gold Project and working capital generally.

### Financing Facility

Following the end of the quarter, a financing facility was entered into where funds are to be made available to the Company in return for issues of shares in regular tranches as follows:

- \$400,000 (net of fees) advanced on completion of various conditions precedent; and
- 17 additional funding tranches of between \$150,000 – \$350,000 each to be advanced approximately 30 days after the immediately preceding tranche. Amounts above \$150,000 can only be advanced on mutual agreement between both parties.

Details of the facility are in the April 9 announcement to the ASX.

## CHANGE OF REGISTERED ADDRESS

Subsequent to quarter end the Company advised that its registered office and principal place of business has been changed to;

Level 4  
15-17 Young Street  
Sydney, NSW, 2000

## CORPORATE DIRECTORY

### Board of Directors

Ken Chapple	Executive Director
James Collins-Taylor	Non Executive Director
Greg Starr	Executive Chairman
Tom Fermanis	Non Executive Director
Peter Macnab	Non Executive Director
Robert McLean	Non Executive Director
Sinton Spence	Non Executive Director

### Company Secretary

John Lemon

### Issued Share Capital (as of 31 March 2010)

Gold Anomaly Limited had 807.76 million ordinary shares on issue.

In addition, the following options/convertible securities are on issue:

1. 86.65 million listed options (GOAOA) expiring 30 June 2012; exercisable at A\$0.03 (3 cents) per share;
2. 2.0 million unlisted options (GOA08) expiring 1 April 2013; exercisable at A\$0.04 (4 cents) per share.
3. 1,225 listed Convertible Notes each at a face value of \$500 (\$612,500). 10% pa interest. First payment made 01 April 2010.

### Quarterly Share Price Activity

	High	Low	Last
Sep 2007	11.0	7.1	8.0
Dec 2007	9.8	5.4	6.7
Mar 2008	6.7	3.5	3.5
June 2008	4.4	2.8	3.1
Sep 2008	3.6	1.3	2.3
Dec 2008	2.3	0.6	0.8
March 2009	1.5	0.5	0.7
June 2009	1.4	0.6	1.1
Sept 2009	7.7	1.2	5.4
Dec 2009	5.8	3.1	3.8
March 2009	3.9	2.9	3.4

MARKET CAPITALISATION: 27.5M  
As of 31 March 2010

### Registered Office

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NSW 2000

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ANZ Building  
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Brisbane Qld 4000  
Phone (02) 8280 7454  
Fax (07) 3228 4999  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Please direct shareholding enquiries and address changes to the share registry.

## COMPETENT PERSON STATEMENTS

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*The information contained in this report relating to exploration results, mineral resources or ore reserves at Gold Aura's Sao Chico and Fergusson Island 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.*

*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.*