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Company Announcements Office
Australian Securities Exchange

UPDATE OF PROGRESS OF ACCESS ROAD AND BENCHING AT CRATER MOUNTAIN, PNG

Summary

- Road access now progressed 35 km of the 80 km total of the old disused Government road, which finishes at Kusi
- Expected to reach Kusi by 20 March.
- Expected to complete 5 km of new road access from Kusi to proximity of Mamati base-camp site by 25 March.
- Expected to complete a further 3 km access to edge of the Nevera prospect and commence benching and sampling by 31 March
- The benching will expose the weathered bedrock in critical areas of the Nevera complex enabling 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.

Background

As announced on 3 March, follow up project evaluation work at Gold Anomaly's Crater Mountain Project has commenced. The approximate 80 km road access which precedes benching and sampling is now 35km advanced. The road passes through several dozen villages along its route, and landowner interest and support has been significant.



As a result of the good progress to date, it is expected that the contractors will reach the Nevera Prospect by 31 March. Benching and sampling are expected to commence in early April with sampling results from assay labs expected by early June.

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.

The road construction is being managed by Gold Anomaly staff led by James Waisime and Eu Atase.

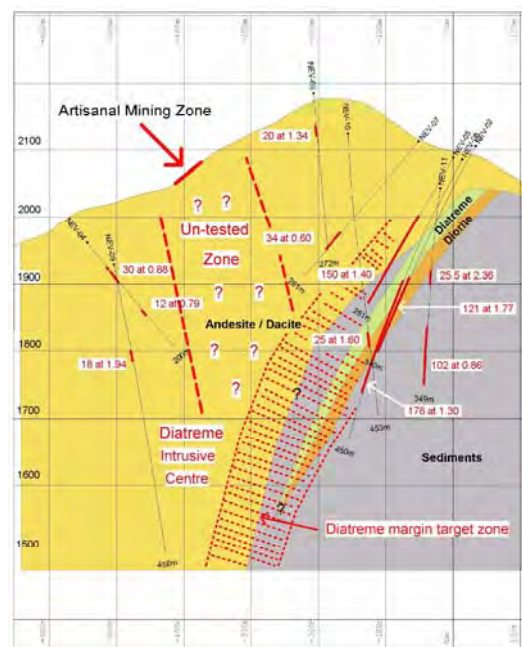


Figure 1 – Crater Mountain (Nevera prospect)
Schematic cross Section

About Crater Mountain

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.

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 and shown in figure 1 above.

Drilling

- 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, inc 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.

Road construction and Benching

As a major step advancing exploration on the Crater Mountain project, 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.

The work is being carried out by Rodcliffe Ltd, a PNG based contractor based in Goroka. The principal of Rodcliffe has over 20 years experience specialising in the provision of road construction and repair services to the mining and civil engineering sector in PNG.

The project work will be directed by Peter Macnab. Mr Macnab is a widely experienced exploration geologist being discoverer/ co - discoverer of Lihir, Misima (Placer/Barrick), Simberi (Allied Gold), Wafi (Harmony), Frieda River (Xstrata) and numerous others in PNG.

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

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 commencement 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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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.