Gold Anomaly Limited ABN 75 067 519 779

Financial Report

For the half-year ended

31 December 2010

GOLD ANOMALY

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Corporate Directory

Directors:	G B Starr (Executive Chairman) K G Chapple (Executive Director) J D Collins-Taylor (Non-executive Director) T M Fermanis (Non-executive Director) R P Macnab (Non - executive Director) J S Spence (Non-executive Director)
Company Secretary:	J A Lemon
Registered Office:	Level 4, 15 – 17 Young Street, Sydney NSW 2000 Australia Telephone: + 61 2 9241 4224 Facsimile: + 61 2 9252 2335 Email: info@goldanomaly.com.au
Postal Address:	Level 4, 15 – 17 Young Street, Sydney NSW 2000 Australia
Share Registry:	Link Market Services Limited ANZ Building, Level 15, 324 Queen Street Brisbane Qld. 4000 Australia Telephone: + 61 7 8280 7454 Facsimile: + 61 7 3228 4999 PO Box 2537 Brisbane Qld. 4110 Australia
Auditors:	PKF Chartered Accountants 1 Margaret Street, Sydney NSW 2000 Australia
ASX Listing:	Gold Anomaly Limited shares, options and unsecured redeemable convertible notes are quoted on the Australian Securities Exchange under the codes "GOA" and "GOAOA" respectively.
Former Name:	Gold Anomaly Limited changed its name from Gold Aura Limited on 2 November 2009
Website address:	www.goldanomaly.com.au

Half-Year Highlights

The six months to 31st December 2010 was a very active period for the Company as it advanced its flagship Crater Mountain project in Papua New Guinea (PNG). At the start of the period in July, access to the Nevera Prospect had been recently achieved by a bulldozer and excavator and a mechanical benching and sampling programme incorporating nearly 400 surface samples begun. By the end of December, Gold Anomaly had received assays and commenced its maiden drilling programme.

Of the four areas known to contain gold mineralisation at Crater Mountain, recent exploration has focused on the Nevera Prospect.

Highlights for the half-year included:

- Channel sampling and benching confirms widespread gold occurrence at Nevera Prospect
- Assays from benches define three elongate zones of anomalous gold, silver and base metal values interpreted as mixing zone mineralisation in reactivated deep basement fractures
- Shallow, high grade zone of primary gold at artisanal mining site belongs to separate phase of mineralisation
- Commencement of maiden GOA drilling program at Crater Mountain entailing 2,500 metres of diamond drilling
- Conditions being met to increase Crater Mountain stake from 51% to 70%, with potential to further increase to 90% interest
- Farm-out agreement entered into for Sao Chico gold project in Brazil
- 295,000 ounce inferred gold resource estimated at Gameta, Fergusson Island gold project
- Capital raisings totalling $3.72 million as well as receiving loan funds of $1.5m under its SpringTree financing facility. The Company settled $1.5m on this facility by the issue of shares to SpringTree.

Review of Operations

CRATER MOUNTAIN, PNG

Key points

- Potential world class gold project
- Former tier-1 BHP asset
- Gold Anomaly 51% interest, set to increase to 70%
- Potential to further increase project interest to 90%
- Drilling program underway
- Highly credentialed exploration manager leading drilling programme

Background

Crater Mountain comprises three contiguous exploration licences spanning approximately 300 km^2 in the PNG highlands.

The Prospect was previously drilled in 1997 by BHP whom classified the project as a tier-1 asset (highest prospectivity). However, BHP withdrew from the project and all its PNG activities in the late 1990s due to strategic and corporate reasons. Subsequently further drilling was undertaken by Macmin and Triple Plate Junction, who each achieved interesting gold intersections before withdrawing through lack of funding. A total of more than 5,000 m drilling was completed in 17 holes, 16 of which were concentrated in the northern part of the prospect where the company is focusing its present efforts.

Drilling by BHP and the other previous operators indicated an extensive zone of gold mineralisation with an average grade of 0.3g/t Au for all assays. The best drill intercepts included:

- NEV 02; 121 metres at 1.77g/t Au
- NEV 05; 151 metres at 1.38g/t Au , incl. 24 metres at 6.55g/t Au
- NEV 08; 178 metres at 1.30g/t Au, incl. 32 metres at 2.76g/t Au
- NEV 10; 129 metres at 0.61g/t Au, incl. 25 metres at 1.60g/t Au
- NEV 11; 205 metres at 0.86g/t Au, incl. 25.5 metres at 2.36g/t Au

Currently Gold Anomaly holds a 51% interest in the project. The interest is set to increase to 70% shortly, following the Company having met the requirements of drilling drilled 750m and expended over A$900,000 in exploration including 6,800m of access roads and benches on the Nevera Prospect with 1,960m of channel sampling. Gold Anomaly has also entered into an arrangement with joint venture partner New Guinea Gold Corporation to acquire its 10% interest in the project, subject to PNG Government approval.

The potential to increase its stake further up to 90% is dependent on exploration funding commitments of minority joint venture partner, Triple Plate Junction plc.

Activities

During the half-year, the Company took major steps in advancing the project in the Nevera area of the Crater Mountain prospect. The Nevera Prospect as currently understood is roughly 7.0 sq km in area in a total area of the Crater Mountain licenses of 181 sq km (the area that will remain after reduction of EL 1353 during renewal).

At Nevera the major obstacle in all previous exploration work has been the presence of a thick layer of recent volcanic ash blanketing the present day topography. Following the positioning of the equipment on site at Nevera in the first half of 2010, the company commenced a mechanical benching programme that cut through this layer, with geological mapping and systematic sampling of the new bedrock exposures. Nearly 400 5-metre long channel samples were collected from these new bench exposures, with geological mapping and the assay results leading to a revised mineralisation model and assisting in identifying drill targets.

The principal mineralization in this northern section of the Nevera Prospect is now interpreted as mixing zone base metal sulphide - carbonate - gold mineralization resulting from the mixing of ascending mineralized magmatic fluids with downwards convecting carbonated ground water, best developed where reactivated deep crustal fractures in the region's old sedimentary basement have propagated upwards into the overlying younger Crater Mountain Volcanics, giving rise to extensive linear zones of better-grade mineralization.

The high-grade gold occurrence being worked successfully by local miners using rudimentary methods in the artisanal mining zone (more than 250 kg of gold produced in 5 years) lies away from these main linear mineralized zones, and has no base metal geochemical signature at all, indication a separate mineralization model and mode of occurrence.

Drilling program commences

In December 2010, Gold Anomaly commenced a 2,500 metre drilling program to better define the mineralisation and confirm the mineralisation model.

The first two drill holes, NEV 18 and 19, will drill steeply below the interpreted intersection of two of the major linear zones of mineralization defined by the benching results, testing for evidence of a possible major feeder at the intersection of these two interpreted major regional structures. Targeted depths are +500 m.

Drill holes NEV 20 and NEV 21 will further test the linear mixing zone model as well as (NEV 21) an interpreted major fault which may locally influence mineralization. These holes are also planned to +500m.

Two shorter holes, NEV 22 and 23, will test below the current high-grade artisanal workings

The drilling programme is headed by exploration director; Mr Peter Macnab. Peter has an exemplary track record for discovering or playing an early significant role in a number of major resources projects in PNG, including:

- Lihir - 45 Moz gold (Newcrest)
- Misima - 3.7 Moz gold (Barrick)
- Simberi - 8.3 Moz gold (Allied Gold)
- Wafi - 38 Moz gold Eq (Newcrest/ Harmony)
- Freida River -14.3 Moz gold (Xstrata/ Highlands)

Potential for small scale, open cut operation

The possibility that coherent areas of anomalous gold values outlined in the new bench assay results constitute shallow, low-grade gold targets for surface mining is being addressed. The largest coherent Au-in-rock anomaly to emerge from the sampling to date straddles the end of the ridge above the new top camp.

Outlook for 2011

Subsequent to the end of December 2010, Gold Anomaly completed the first drill hole - NEV 18 - reaching a depth of 596.4 metres. Good visible sulphide development at depths well beyond historic drilling was evident continuing to the bottom which was terminated only because if the rig's inability to penetrate deeper. Drilling at NEV 19 commenced on 24 January 2011. Assay results are anticipated in 2nd quarter 2011.

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

Subject to encouraging assay results, the Company plans for a more extensive drilling programme to be scheduled in 2nd half 2011.

SAO CHICO, BRAZIL

Key points

- Near term gold production
- World class exploration region
- Farm-out arrangement with Kenai Resources

Background

Sao Chico is located in the world class 'Tapajos Gold Province', historically the largest alluvial gold field in Brazil with an estimate of over 30 million ozs of alluvial mining production. The region has attracted several major resources companies such as Rio Tinto, Barrick Gold, Goldfields and Kinross, as well as a number of junior resources companies. Sao Chico is located 54 kilometres south-east of the 2 million ounce gold resource Tocantinzinho project recently acquired by Eldorado Gold Corp and 23 kilometres southwest 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.

To date, Gold Anomaly has discovered numerous gold bearing veins that in combination total around 5 metres in width and have a strike length of up to 1km.

Activities

During the half-year, the Company made progress on both the corporate and development fronts at Sao Chico.

A key development was the execution of an option agreement with Kenai Resources Ltd (TSX: KAI) in September 2010, which introduced Kenai as farm-in partner. The agreement freed up capital and management's resources to focus on Crater Mountain, whilst ensuring that development at Sao Chico would still advance.

A key benefit of the agreement is that Gold Anomaly maintains full ownership of the project until Kenai exercises its option to secure a project interest of up to 75% via certain payments and loan conditions. As such, Gold Anomaly has full exposure to the cash flows that will arise once production commences in 2011. Given that Kenai is focussed on the long-term potential of the project, the near-term result will be that the Company has greater cash availability for advancing its PNG assets.

In addition, Kenai has significant expertise and established networks in the region that will expedite exploration and mine commissioning activities.

In July 2010, a mining permit (GU) was granted, enabling processing of up to 50,000 tonnes per annum (tpa) at Sao Chico. The GU provides for early production whilst a Feasibility Study is progressed to determine the viability of developing a larger mine.

In October, a 400kg bulk sample was collected and analysed. The sample averaged 15.6 g/t Au.

In November, Kenai Resources engaged Geological Consultant; Exploration Alliance Ltd to coordinate and direct the technical work towards the demonstration of defined mineral resources at Sao Chico. Gold Anomaly is initially targeting a deposit size in excess of 250,000 oz Au based on a strike length of 500m, a dip down extent of 100m, an aggregate vein thickness of 5m and a grade of between 10.0 and 15.0 g/t Au. (This potential quantity is conceptual in nature and 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.) In addition, D.E.N.M. Ltd was appointed as Project Manager in preparation for near term gold production at Sao Chico.

Also in November, the Gekko gold gravity plant concentration units along with ancillary plant items arrived in Brazil.

In December, an initial horizontal loop electromagnetic survey (HLEM) over the main vein zone revealed the presence of two large anomalous conductive zones, most likely associated with pyritic mineralised zones in the basement granite. The persistence of the anomalism throughout all frequencies indicated significant depth extent. An induced polarisation survey will follow up on these results.

By the end of the half year to 31st December 2010, site preparations were well advanced for the commissioning of the plant in early 2011, including site foundation and infrastructure activities and expanding the camp. The plant has a design capacity of over 100,000 tpa, which provides the scope to ramp up production with exploration success.

Ariel view of Sao Chico

Outlook for 2011

As of late February 2011 mining had commenced, with first production expected to commence in late March/early April 2011.

Open pit mining is targeting 50 tonnes of ore per day (tpd) before progressing towards the planned production rate of 100 tpd (30,000 tpa). At the targeted grade of 20g/t Au, it is anticipated that production of 20,000 recovered ounces per annum will be achieved.

A feasibility study on the economics of underground mining of the gold vein shear systems at Sao Chico is expected to be completed in 2nd half 2011. The results of an induced polarisation survey will be a major component of the study. Other work will include stream sediment sampling, drilling, soil sampling, rock sampling, geological mapping and petrology.

More detailed follow-up will be undertaken on delineated induced polarization and electromagnetic anomalies. If, as expected, the feasibility study indicates a commercial operation would be economic, a Mining Lease entailing greater scope than the current GU will be applied for.

FERGUSSON ISLAND, PNG

Key points

- Maiden inferred resource estimate
- Leverage management's PNG expertise
- BFS in 2011

Background

The Fergusson Island project is made up of two gold deposits, Wapolu and Gameta, which are located 30km apart on the NW and NE corners of the island.

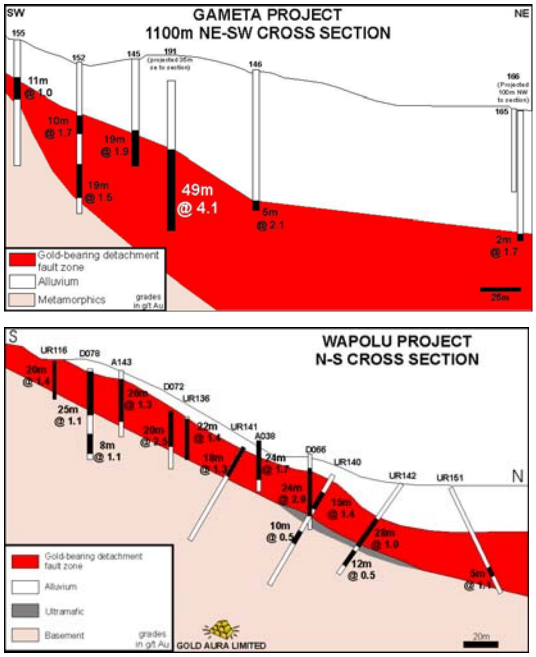
A pre-feasibility study (PFS) in 2004 indicated the potential for a 600ktpa – 1mtpa plant operating for 3-5 years and based on a gold grade of 2.2g/t from the Gameta deposit and a similar potential at Wapolu for an additional 3-5 years. Given that the PFS assumed a gold price of US$400/ oz, the project economics are certainly enhanced at current buoyant gold prices in excess of US$1300/ oz.

Activities

During the half-year, a maiden inferred resource estimate was defined at the Gameta deposit.

In December, a study by consulting geologists Hellman & Schofield Pty. Ltd estimated an Inferred Resource of 5.1 million tonnes at 1.8 g/tonne for 295,000 ounces of gold at a cut off grade of 1.0 g/t Au.

Gold Anomaly currently owns 67% of the project. In July 2010, the Company entered into an agreement with joint venture partner, Yamana Gold Inc. (TSE:YRI), to acquire Yamana's 33% project interest in exchange for 18,762,545 ordinary shares in Gold Anomaly. The agreement is subject to PNG regulatory bodies granting renewal of the tenements and an extension to the April 2012 deadline for the completion of a bankable feasibility study (BFS).



The Fergusson Island Gold Project is made up of two gold deposits – Gameta and Wapolu

Outlook for 2011

A BFS is anticipated for completion in 2nd half 2011. Drilling programs at both Gameta and Wapolu are earmarked for the 2nd half 2011.

CORPORATE

During the half-year, Gold Anomaly completed the following equity raisings:

- In September, a Share Purchase Plan offer raised $1.42 million through the issue of 71 million shares ($0.02 per share) in the Company.
- In November, the Company raised $2.3 million by way of a private placement of 76,666,665 shares ($0.03 per share) and 25,555,552 free attaching options to various professional and sophisticated investors through several broking firms.
- In November, the balance of the Company's convertible notes on issue (1,225 in total) were converted into 24,500,000 fully paid ordinary shares in the Company.
- During the half-year, the Company received loan funds of $1.5m under its SpringTree financing facility. The Company settled $1.5m on this facility by the issue of shares to SpringTree.

The information contained in this report relating to exploration results from the Sao Chico Project in Brazil and Mineral Resource for the Fergusson Island Project in PNG 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 from Crater Mountain in PNG is based on information compiled by Mr Peter Macnab, Director of Gold Anomaly Limited. Mr Macnab 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 Macnab consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Auditor's Independence Declaration

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION - HALF YEAR REVIEW FINANCIAL REPORT

To : The Directors
Gold Anomaly Limited

As lead auditor for the review of Gold Anomaly Limited for the half-year ended 31 December 2010 I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gold Anomaly Limited and the entities it controlled during the half-year.

PKF

Bruce Gordon
Partner
Sydney
16 March 2011

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

Directors' Report

Your Directors present their report on the consolidated entity consisting of Gold Anomaly Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2010.

Directors

The names of the Directors of Gold Anomaly Limited in office during the period and at the date of this report are:

G B Starr (Executive Chairman)

K G Chapple (Executive Director)

J D Collins-Taylor (Non-executive Director)

T M Fermanis (Non-executive Director)

R P Macnab (Non-executive Director)

J S Spence (Non-executive Director)

Mr R N McLean resigned as a Non-executive Director on 1 December 2010.

Review of operations

Gold Anomaly Limited (the Company) and its subsidiaries' (together the Group) principal activity is global exploration for world class mineral resources. Its current focus is the Crater Mountain exploration program in Papua New Guinea (PNG), commencement of gold production at the high grade gold Sao Chico property in Brazil, the Fergusson Island gold exploration program in PNG and the evaluation of the vein style polymetallic (zinc-tin-copper-silver dominant) mineralisation discovered at Croydon in north Queensland.

The Group incurred a loss for the half-year of $1,039,334 after interest income of $11,744, exploration cost write-offs of $159,691, Kenai transaction costs of $112,925 and financing expense, including equity settled expenses of $146,685.

The Group held $1,109,685 in cash at the end of the half-year after receiving $3,720,000 (before issue costs of $231,989) proceeds from the issue of shares and options, $1,500,000 in loans under the SpringTree financing facility and making payments of $2,427,354 for operating and exploration activities and $891,356 for the purchase of fixed assets.

Half-Year Highlights are shown on page 3, and a detailed Review of Operations is set out on pages 4 to 7 of this Financial Report.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 8 of this Financial Report.

This report is made in accordance with a resolution of Directors.

G B Starr
Chairman

K G Chapple
Executive Director

Sydney
16 March 2011

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2010

	Notes	Consolidated December 2010 $	December 2009 $
Continuing Operations			
Revenue		-	-
Total income		**-**	**-**
Less:			
Administration expense		531,970	325,615
Corporate compliance expense		99,807	38,358
Exploration costs written off		159,691	-
Other expense		-	20,849
Operating loss		**(791,468)**	**(384,822)**
Acquisition costs		-	(159,995)
Kenai transaction costs		(112,925)	-
Financing income		11,744	11,295
Financing expense		(146,685)	(31,503)
Loss before tax		**(1,039,334)**	**(565,025)**
Income tax expense		-	-
Loss for the period from continuing operations		**(1,039,334)**	**(565,025)**
Other comprehensive income			
Movement in Share Based Payment Reserve		87,097	-
Movement in Asset Revaluation Reserve		-	-
Exchange differences on translating foreign operations		(1,036,300)	(225,935)
Total comprehensive loss for the year	4	**(1,988,537)**	**(790,960)**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss - cents per share		**(0.11)**	**(0.11)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2010

	Notes	Consolidated December 2010 $	June 2010 $
ASSETS			
Current assets			
Cash and cash equivalents		1,109,685	491,434
Trade and other receivables		587,094	462,471
Total current assets		**1,696,779**	**953,905**
Non-current assets			
Receivables		-	147,082
Other financial assets		42,355	44,651
Exploration and evaluation	4	11,712,838	10,789,164
Development expenditure	4	4,697,887	3,393,486
Property, plant and equipment		1,772,155	711,592
Total non-current assets		**18,225,235**	**15,085,975**
Total Assets		**19,922,014**	**16,039,880**
LIABILITIES			
Current Liabilities			
Trade and other payables		627,562	447,360
Related party payables		156,283	130,154
Interest-bearing liabilities		7,099	15,273
Provisions		114,032	109,040
Total current liabilities		**904,976**	**701,827**
Non-current liabilities			
Interest-bearing liabilities		250,000	182,989
Provisions		-	-
Total non-current liabilities		**250,000**	**182,989**
Total liabilities		**1,154,976**	**884,816**
Net Assets		**18,767,038**	**15,155,064**
EQUITY			
Contributed equity	7	21,921,467	16,320,956
Reserves		(298,798)	650,405
Accumulated losses		(2,855,631)	(1,816,297)
Total Equity		**18,767,038**	**15,155,064**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2010

	Notes	Consolidated December 2010 $	December 2009 $
Cash flows from operating activities			
Payments to suppliers and employees		(424,149)	(718,359)
GST refunded		82,511	-
Interest received		11,744	10,626
Interest paid		(1,537)	-
Net cash (used in) operating activities		**(331,431)**	**(707,733)**
Cash flows from investing activities			
Purchases of property plant and equipment		(891,356)	(270,050)
Proceeds from sale of plant and equipment		-	-
Payments for exploration, evaluation and development		(1,982,998)	(484,796)
Payments for security deposit		2,295	-
Repayment of loans		-	-
Payments for acquisition costs		(112,925)	(159,995)
Net cash (used in) investing activities		**(2,984,984)**	**(914,841)**
Financing activities			
Proceeds from issue of ordinary shares and options		3,720,000	3,395,000
Share issue costs		(231,989)	(229,325)
Convertible Note receipts		-	39,000
Proceeds from borrowings		1,497,008	680,658
Repayment of lease liabilities		(14,053)	-
Net cash provided by financing activities		**4,970,966**	**3,885,333**
Net increase (decrease) in cash held		**1,654,551**	**2,262,759**
Cash at the beginning of the period		491,434	55,613
Gold Anomaly Limited cash at merger		-	225,420
Foreign currency translation		(1,036,300)	(255,935)
Cash at the end of the period		**1,109,685**	**2,287,857**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2010

Consolidated	Notes	Ordinary Equity $	A, B and C Class Shares $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2010		**16,320,956**	**-**	**650,405**	**(1,816,297)**	**15,155,064**
Shares issued for cash		3,720,000	-	-	-	3,720,000
Shares issued to extinguish liabilities		1,500,000	-	-	-	1,500,000
Shares issued on conversion of equity instruments		612,500	-	-	-	612,500
Share issue costs		(231,989)	-	-	-	(231,989)
Transactions with owners		**5,600,511**	**-**	**-**	**-**	**5,600,511**
Profit (loss) for the period		-	-	-	(1,039,334)	(1,039,334)
Other comprehensive income						
Movement in Share Based Payment Reserve		-	-	87,097	-	87,097
Movement in Asset Revaluation Reserve		-	-	-	-	-
Exchange differences on translating foreign operations		-	-	(1,036,300)	-	(1,036,300)
Total comprehensive income for the period		**-**	**-**	**(949,203)**	**(1,039,334)**	**(1,988,537)**
Balance at 31 December 2010		**21,921,467**	**-**	**(298,798)**	**(2,855,631)**	**18,767,038**
Balance at 1 July 2009		**2,225,371**	**30,000**	**305,750**	**(536,178)**	**2,024,943**
Shares issued for cash		3,395,000	-	-	-	3,395,000
Shares issued on conversion of equity instruments		70,000	-	-	-	70,000
Shares nominally issued on reverse take-over		9,181,776	-	-	-	9,181,776
Share issue costs		(179,203)	-	-	-	(179,203)
Transactions with owners		**14,692,944**	**30,000**	**305,750**	**(536,178)**	**14,492,516**
Profit (loss) for the period		-	-	-	(565,025)	(565,025)
Other comprehensive income						
Cancellation of Class A, B and C shares		-	(30,000)	30,000	-	-
Exchange differences on translating foreign operations		-	-	(225,935)	-	(225,935)
Total comprehensive income for the period		**-**	**(30,000)**	**(195,935)**	**(565,025)**	**(790,960)**
Balance at 31 December 2009		**14,692,944**	**-**	**109,815**	**(1,101,203)**	**13,701,556**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Interim Consolidated Financial Statements

1 Basis of preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

The historical cost basis has been used, except for the revaluation of financial assets and liabilities at fair value through the income statements, certain classes of property, plant and equipment and investment property.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2010 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

AASB 101 prescribes the contents and structure of the financial statements.

2 Going concern

These financial statements are prepared on a going concern basis. The Group has incurred a net loss of after tax of $1,039,334 (2009: $565,025) for the half-year ended 31 December 2010 with cash outflows from operating and investing activities of $3,316,415 (2009: $1,622,573). As at 31 December 2010, the Group had working capital of $791,803 including cash on hand of $1,109,685.

The Company's cash flow forecasts indicate that with prudent cash management procedures, forecast cash flows will be sufficient to maintain the company until its Sao Chico gold mining operations become cash flow positive. This is expected to occur in the June quarter of the 2011 financial year.

The company will also continue to draw down on its SpringTree financial facility until its expiry in August 2011 and expects to receive a further $3m from Kenai Resources over the next 6 months as part of the Kenai transaction.

The Directors recognise the potential for delays in the start-up of mining at Sao Chico, production shortfalls at Sao Chico and the Kenai transaction not proceeding to its conclusion. These circumstances give rise to a material uncertainty about the consolidated entity's ability to continue as a going concern. Consequently, its ability to pay its debts as and when they fall due will then be dependent on its ability to secure appropriate levels of additional funding. The Company has successfully raised funds through share issues and debt funding on a number of occasions and the Directors are confident that this could be achieved should the need arise.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

The Directors are satisfied that, adequate plans are in place and that the company will have positive cash flows through to 31 March 2012. On this basis the financial report has been prepared on the going concern basis.

3 Segment analyses

The Group's operating segments are based on geographical areas.

Description of segments

Croydon consists of two sub-projects in far north west Queensland, the Croydon Zinc Project and the Croydon Gold Project.

Fergusson Island consists of two gold exploration projects at Wapolu and Gameta on Fergusson Island, in Milne Bay province, PNG.

Crater Mountain is an advanced exploration project located in the PNG Highlands approximately 50kms southwest of Goroka. **Bogia** is a gold-copper mineralisation project on the north coast of PNG.

Sao Chico is a close to production gold development project at Sao Chico, Para State, Brazil.

Segment Result

	Croydon	Fergusson Island	Crater Mountain / Bogia	Sao Chico	Corporate	Elimin.	Consol.
	$	$	$	$	$	$	$
Half-year to 31 December 2010							
External segment revenue	-	-	-	-	11,744	-	**11,744**
Other expenses		(482,166)	(252,161)	(255,359)	(569,922)	508,530	**(1,051,078)**
Segment profit (loss)	-	(482,166)	(252,161)	(255,359)	(558,178)	508,530	**(1,039,334)**
Segment assets	3,470,505	2,576,607	4,413,985	6,421,096	22,460,443	(19,420,623)	**19,922,013**
Segment liabilities	-	12,417	146,388	209,588	703,436	83,147	**1,154,976**
Half-year to 31 December 2009							
External segment revenue	-	-	-	-	11,295	-	**11,295**
Other expenses	-	(298,238)	(308,661)	(14,162)	(238,006)	282,747	**(576,320)**
Segment profit (loss)	-	(298,238)	(308,661)	(14,162)	(226,711)	282,747	**(565,025)**
Segment assets	3,435,365	2,651,117	2,280,513	2,764,649	20,884,374	(16,932,961)	**15,083,057**
Segment liabilities	-	40,620	19,767	136,990	1,223,641	(39,516)	**1,381,502**

Reconciliation of Segment Profit to loss for the period from continuing operations:

Segment profit (loss)	**(1,039,334)**
Loss for the period from continuing operations	**(1,039,334)**

The consolidated segment loss shown above is equal to the loss for the period from continuing operations shown in the Consolidated Statement of Comprehensive Income.

4 Individually significant items

Interest expense includes a non-cash adjustment of $107,946 for part of the previously capitalised interest component of the convertible notes that were all converted during the half-year

Kenai Agreement Costs are costs incurred in by the Group in complying with the terms of the Kenai Option Agreement as well as the preparation and provision of information required as conditions precedent to this Agreement. Under the terms of this Agreement, the Group will enter into a partnership with the Canadian company; Kenai Resources (TSX: KAI) to assist in the development of the Group's Sao Chico project and fast track local and regional exploration.

Details of this Agreement were announced to the ASX on 22 September 2010, and further details may also be found at Note 34 to the Group's 30 June 2010 Annual Report.

During the half-year the Group acquired gold processing equipment for its Sao Chico project valued at A$971,382.

Movements in exploration, evaluation and development expenditure

The following table shows the movements in capitalised exploration, evaluation and development expenditure for the half-year.

	December 2010 $	June 2010 $
Exploration and Evaluation		
Opening net book value – 1 July	10,789,164	2,150,269
Acquisition of Gold Aura Limited	-	9,701,728
Expenditure capitalised	1,414 430	1,363,490
Transfers to development expenditure	-	(2,306,915)
Written off	-	-
Effects of movements in exchange rates	(490,756)	(119,408)
Closing net book value	**11,712,838**	**10,789,164**
Development Expenditure		
Opening net book value – 1 July	3,393,486	-
Acquisition of Gold Aura Limited	-	-
Expenditure capitalised	1,651,989	1,031,402
Transfers to development expenditure	-	2,306,915
Written off	-	-
Effects of movements in exchange rates	(347,588)	55,169
Closing net book value	**4,697,887**	**3,393,486**

The ultimate recovery of the carrying value of the capitalised exploration evaluation and development expenditure is primarily dependent upon the successful development and commercial exploitation, or alternatively, the realisation of the relevant areas of interest at amounts in excess of their book values.

Movements in property plant and equipment

The following table shows the movements in property, plant and equipment for the half-year.

	December 2010 $	June 2010 $
Carrying value – 1 July	711,592	26,412
Acquired on Acquisition		57,895
Additions – Brazilian production equipment	971,382	628,280
Additions - other	107,993	31,334
Additions – total	**1,079,375**	**717,509**
Depreciation expensed	(5,282)	(8,179)
Depreciation capitalised	(7,835)	(22,481)
Effects of movements in exchange rates	(55,695)	(1,669)
Carrying value – 31 December	**1,722,155**	**711,592**

5 Dividends

The Company has not paid or declared a dividend during the half-year.

6 Seasonality and irregular trends

The activities of the Group are not materially affected by seasonality or irregular trends.

7 Equity securities issued

	No. of A, B and C class shares	$	No. of ordinary shares	$	Total $
Half-year to 31 December 2010					
As at 1 July 2010	-	-	851,775,446	16,320,956	16,320,956
Shares issued	-	-	240,094,983	5,600,511	5,600,511
As at 31 December 2010	**-**	**-**	**1,091,870,429**	**21,921,467**	**21,921,467**
Full-year to 30 June 20110					
As at 1 July 2009	60	30,000	383,230,659	2,225,371	2,255,371
Shares issued	-	-	468,544,787	14,095,585	14,095,585
Shares cancelled	(60)	(30,000)	-	-	(30,000)
As at 31 December 2009	**-**	**-**	**851,775,446**	**16,320,956**	**16,320,956**

Movements in Ordinary Share Capital

Date	Details	Shares No.	Value $
Half-year to 31 December 2010			
01-Jul-10	Balance 1 July - Ordinary Shares	851,775,446	16,320,956
30-Jul-10	SpringTree loan conversion	7,009,346	150,000
30-Aug-10	SpringTree loan conversion	8,379,888	150,000
20-Sep-10	Share Purchase Plan	71,000,000	1,420,000
23-Sep-10	SpringTree loan conversion	5,681,818	100,000
30-Sep-10	SpringTree loan conversion	8,108,108	150,000
20-Oct-10	SpringTree loan conversion	5,050,505	100,000
01-Nov-10	SpringTree loan conversion	7,281,553	150,000
02-Nov-10	SpringTree loan conversion	7,389,163	150,000
12-Nov-10	Placement	76,666,665	2,300,000
22-Nov-10	Conversion of Preference Shares	24,500,000	612,500
23-Nov-10	SpringTree loan conversion	6,550,218	150,000
01-Dec-10	SpringTree loan conversion	4,901,961	150,000
21-Dec-10	SpringTree loan conversion	7,575,758	250,000
	Less: Transaction costs arising on share issues		(231,989)
		1,091,870,429	**21,921,467**
Full-year to 30 June 2010			
01-Jul-09	Balance 1 July - Ordinary Shares	383,230,659	2,225,371
02-Nov-09	Shares nominally issued to shareholders of Gold Aura Ltd at 3.14 cents as consideration for their shares in Gold Aura Ltd.[1]	293,229,833	9,181,776
27-Nov-09	Placement of shares at 3.5 cents	97,000,000	3,395,000
09-Dec-09	Conversion of Convertible Notes at 2.5 cents	2,800,000	70,000
	Less: Transaction costs arising on share issues	-	(179,203)
20-Jan-10	Placement of shares at 3.5 cents	10,000,000	350,000
19-Feb-10	Placement of shares at 3.5 cents	12,388,200	433,587
31-Mar-10	Placement of shares at 3.5 cents	9,111,800	318,913
09-Apr-10	Collateral shares to SpringTree	10,000,000	-
28-May-10	Placement of shares at 1.94 cents	25,773,196	500,000
25-Jun-10	Placement of shares at 1.82 cents	8,241,758	150,000
	Less: Transaction costs arising on share issues	-	(124,488)
		851,775,446	**16,320,956**

[1] Required under accounting procedures adopted for the reverse takeover acquisition of Anomaly Resources Limited. Refer note 22 in 30 June 2010 Annual Report.

8 Contingent liabilities

Waldimiro Agreement

The ultimate enforceability of agreement entered into with Waldimiro providing the Group with conditional mining rights over the Sao Chico remains subject to the confirmation by the upper courts in Pará of the interim ruling given by a lower court in Itaituba on a dispute between WM and A&J regarding the mining rights. The Company understands that though that the preliminary decision from the lower courts in Itaituba dated May 12, 2009, remains valid and unamended this condition is still to be fulfilled.

In September 2010, the Company became aware that A&J had lodged a petition to the lodged a petition with the DNPM requesting a reversal of the GU granted to Waldimiro. Both Waldimiro and the Company have advised their Brazilian legal advisors of this development and will contest the petition if that becomes necessary.

9 Unincorporated joint ventures

The entity has an unincorporated Joint Venture agreement with Triple Plate Junction Plc in relation to the Crater Mountain licences. These Joint Ventures were held as Jointly Controlled Operations and the terms of the agreements remained unchanged during the period. The project status and interest ownership are as follows:

Exploration Licence	Project Name	Co-Venturer	Initial Interest	Interest After Phase 1	Interest After Phase 2
EL 1115	Crater Mountain	Triple Plate Junction Plc	25% on listing on the NSX	51% on completion of Phase 1	70% on completion of Phase 2
EL 1353	Crater Mountain	Triple Plate Junction Plc	25% on listing on the NSX	51% on completion of Phase 1	70% on completion of Phase 2
EL 1384	Crater Mountain	Triple Plate Junction Plc	25% on listing on the NSX	51% on completion of Phase 1	70% on completion of Phase 2

The Group obtained its 51% ownership interest in Crater Mountain Licenses on 23 November 2008 on completion of Phase 1 based on original terms of the joint venture agreement. The Group has now completed Phase 2 of the Project having expended in excess of its $900,000 commitment to this phase.

In addition to the above, the Company has an unincorporated joint venture agreement with Yamana Gold Inc. in relation to its Fergusson Island (PNG) projects. The Company's interest is a 67%. Yamana's initial interest of 40% has been diluted to 33% since their withdrawal from active funding of the projects.

10 Events subsequent to the end of the reporting period

Since the end of the half-year, the Company's Brazilian subsidiary Aura do Brasil Mineração Ltda (GOAB) was involved in a labour law dispute with 3 previous employees and 1 previous contractor of A&J and Waldimiro. Despite the event occurring before the project being under GOAB management, under Brazilian law, terminated employees and contractors can take action for loss of earnings and entitlements that remain unpaid, notwithstanding ownership of the project having passed to GOAB. As a consequence of this action, the GOAB was required to pay BRL240, 000 (A$142,494) to the employees concerned. Waldimiro was also required to pay these amounts. Payments for both GOAB and Waldimiro were made by GOAB and finalised 12 April 2010. Payments made by GOAB on behalf of Waldimiro will be recovered from future profit shares payable to Waldimiro once production at Sao Chico commences.

The company received the first payment of $1,000,000 from KAI under the option agreement on 4th March 2011. A further payment of $1,500,000 is due by the end of the first quarter.

Directors' Declaration

The Directors of the Company declare that:

a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   i) Giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity; and

   ii) Complying with the Accounting Standard *AASB134 Interim Financial Reporting*, and the Corporations Regulations 2001.

b) Having regard to those matters referred to in Note 2, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors and signed for and on behalf of the Directors by.

G B Starr
Chairman

Sydney
16th March 2011

Independent Auditor's Review Report

PKF

Chartered Accountants
& Business Advisers

TO THE MEMBERS OF GOLD ANOMALY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Gold Anomaly Limited which comprises the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises Gold Anomaly Limited (the company) and the entities it controlled at 31 December 2010 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gold Anomaly Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 2 of the half-year financial report which indicates the consolidated entity has incurred a net loss of $1,039,334 (2009: $565,025) and cash outflows from operating and investing activities of $3,316,415 (2009: $1,622,573).

These conditions along with other matters set forth in Note 2 indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

PKF

Bruce Gordon
Partner

16 March 2011
Sydney

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales