

1 November 2011

Company Announcements Office
Australian Securities Exchange

Sao Chico Project, Brazil – Kenai Resources Drilling Programme Update, Including Preliminary Assay Results

As previously advised:

1. Toronto Stock Exchange Venture Exchange (“TSX-V”) - listed Kenai Resources Limited (“Kenai”) (TSX-V code: “KAI”) provides project management advisory services to Gold Anomaly Limited (“GOA”) for the Sao Chico Project in Brazil (“the Project”);
2. Kenai has:
 - (i) an option to acquire 50% of GOA’s wholly owned Brazilian subsidiary which holds the mineral project rights to the Project; and
 - (ii) a further option to acquire an additional 25% interest on certain terms and conditions.

Please find attached an announcement released by Kenai to the TSX-V yesterday which provides an update on the drilling programme at the Project, including details of preliminary assay results from the drilling programme.

Yours Faithfully
GOLD ANOMALY LIMITED



John Lemon
Company Secretary

Competent Person Statement

The information in the report to which this statement is attached that relates to Exploration Results at the Sao Chico Project is based on information compiled by Neil Cole, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Cole is employed by Kenai Resources Limited. Mr Cole has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Cole 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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Shares Outstanding: 62,406,734

October 31st, 2011

ENCOURAGING DRILLING RESULTS AT SAO CHICO GOLD PROJECT, BRAZIL

VANCOUVER, B.C. - Kenai Resources Ltd (“Kenai”, TSX-V: KAI) is pleased to provide a further update on drilling at the Sao Chico gold project in north central Brazil, with the receipt of preliminary assay results from several but not all high interest vein intercepts in drill holes 11-SC-002, 11-SC-003, 11-SC-004, and 11-SC-005.

To date, six core holes have been completed, with the seventh currently drilling ahead at a down hole depth of some 71 meters. The program has a current total of 902 meters drilled in this first phase 3000 meter program. Drilling to date has demonstrated high grade gold mineralization over a strike length of 80 metres and to a down hole length of 188 metres, equal to a vertical depth of 154 metres. Mineralization is interpreted to occur as lenticular bodies of quartz and disseminated to massive sulphide hosted within wider altered granite zones. The drilling is within an area where there are 200 small shallow garimpeiro shafts over a surface area of 1,000 metres east-west by 600 metres north-south and also within a broader exploration licence area of over 1,400Ha.

For NI 43-101 reporting purposes, all core samples are forwarded to ACME Laboratories in Itaituba, the city closest to Sao Chico, for preparation of dried, crushed and pulverized pulps which are then forwarded to ACME facilities in Santiago, Chile and Vancouver for fire assaying and broad spectrum multi-element ICP analysis. To provide initial results, pulverized pulps from certain identified high interest intercepts have been extracted at Itaituba for short-form unofficial assay determination at the nearby Serabi Mining plc Palito mine assay laboratory.

From the first 20 high interest samples submitted, results have been received for 15 samples. All samples submitted in this batch are detailed in the Appendix hereto. The assaying method used at Palito is described as gold-DIBK, with a copper/aqua regia finish. It is emphasized the assay results from the Palito laboratory are unofficial and preliminary in nature, but are considered by Kenai as indicative of results likely to be reported by ACME Laboratories in due course.

Highlights from the preliminary assay results are:

- Hole 11-SC-002 1.86 meters at 19.4 grams per tonne (“g/t”) gold from 38 meters down hole depth
- Hole 11-SC-004 1.2 meters at 60.9 g/t gold from 49 meters downhole depth
- Hole 11-SC-005 1.58 meters at 97.6 g/t gold from 142 meters downhole depth

For drill hole 11-SC-004, the average preliminary assay over the entire altered interval from 49.10 to 52.83 meters is 19.9 g/t gold, over 3.73 meters, for an estimated true width intercept of approximately 2.8 meters. Holes 4 and 5 intersect the same high grade vertical vein structure and define gold mineralization down dip over 100 meters. Holes 2 and 6 intersect the same

high grade structure in a location some 60 meters to the west with a similar down dip vertical extent of some 100 meters. These intercepts so far demonstrate high grade gold mineralization over a strike length of 80 metres and to a down hole length of 188 metres, equal to a vertical depth of 154 metres. Mineralization is interpreted to occur as lenticular bodies of quartz and disseminated to massive sulphide hosted within wider altered granite zones.

The location of the drillholes and intercepts are shown in the following figures.



FIGURE 1

Plan view of drill holes 001 to 007 at the Waldimiro Shaft and Drive area, with future planned hole locations shown in blue.

Ongoing drilling is planned to explore the along-strike and down dip continuity of the mineralization observed to date, and also to explore the potential for other lenticular mineralized bodies hosted within the fault zone. As previously reported by Kenai, evidence of the immediate potential at Sao Chico is demonstrated by more than 200 small garimpeiro shafts over a surface area of 1,000 metres east-west by 600 metres north-south. Drilling to date has focused on the area of known high grade mineralization observed in the existing shallow underground drive.

The Sao Chico drilling program commenced with one shift per day and has now been increased to two shifts per day. A second Minexplor rig is now operating at Sao Chico, with the overall 3000 meter program anticipated to be completed during December.

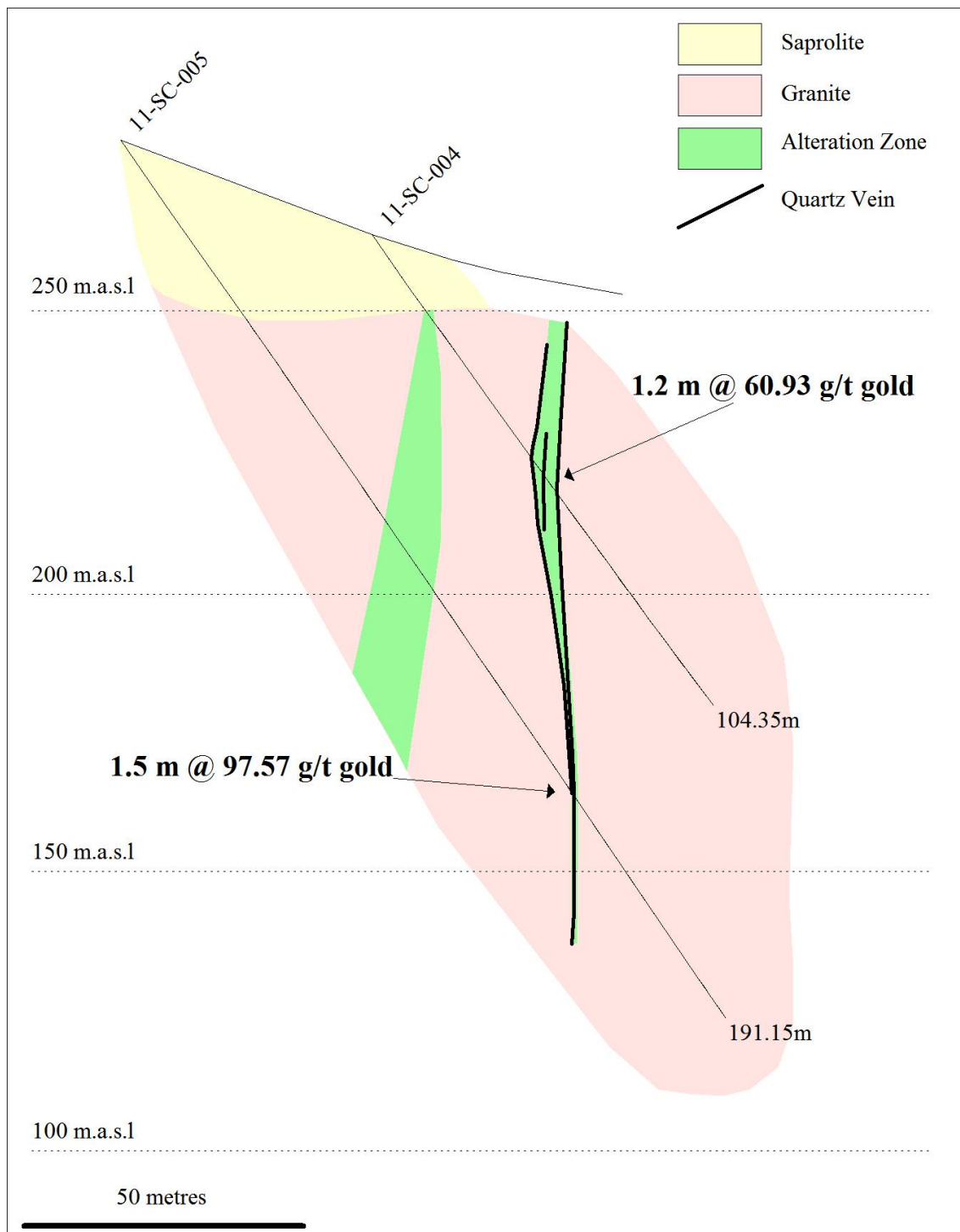


FIGURE 2
 Section through 11-SC-004 and 11-SC-005 facing west, showing vertical continuity over 100 metres deep

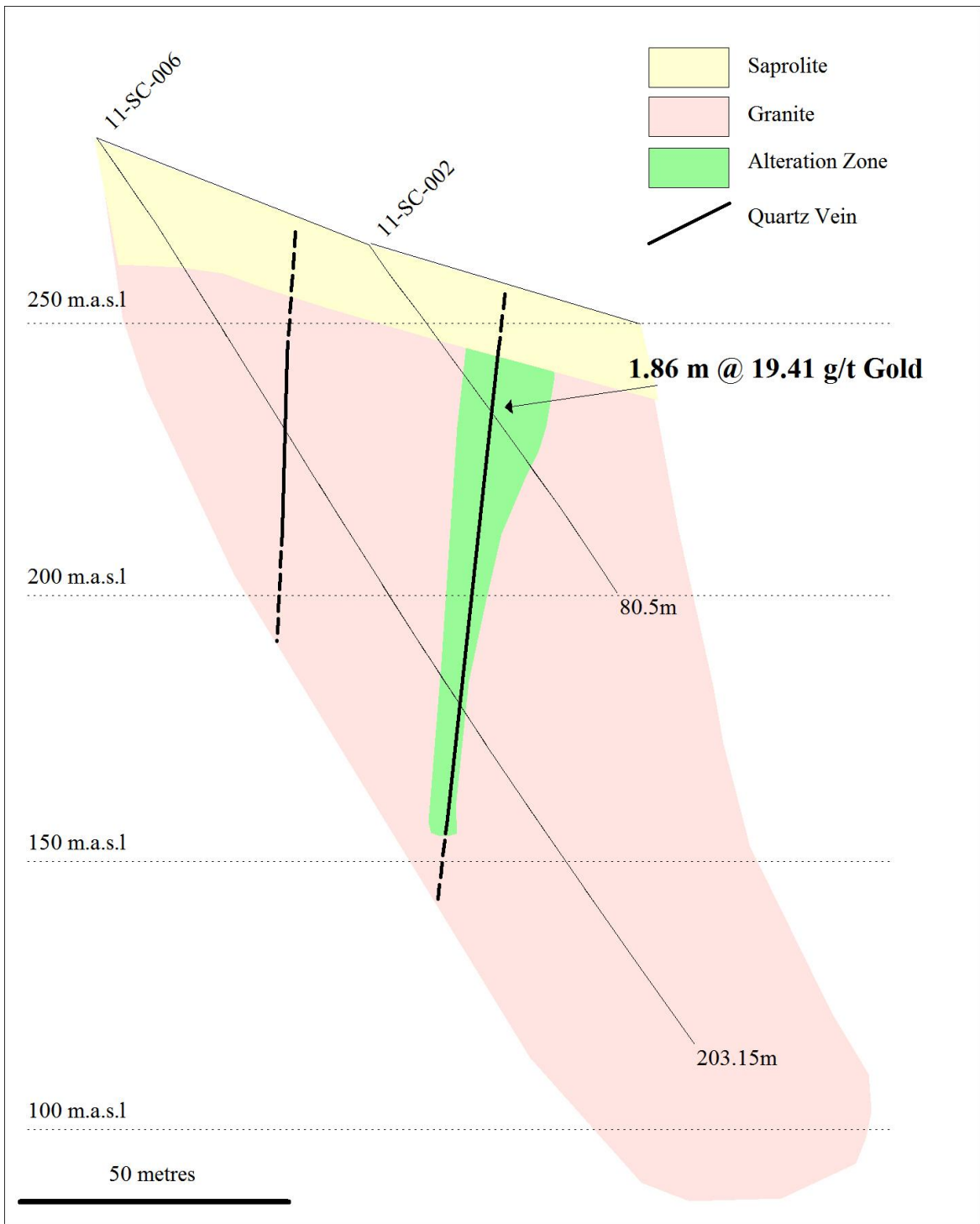


FIGURE 3
Section through 11-SC-002 and 11-SC-006 facing west

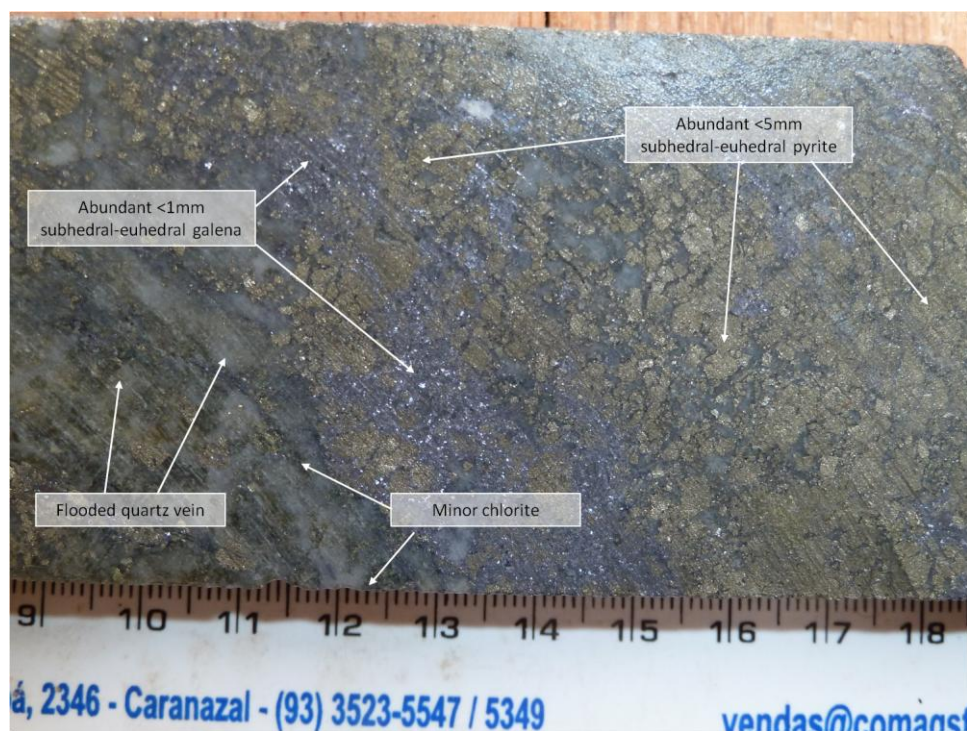


FIGURE 4
Annotated photograph of drill core showing typical quartz and sulphide mineralization in high grade intercepts

About Sao Chico

The project is more completely described in Kenai's NI 43-101 Technical Report on the project, details of which were contained in Kenai's news release of January 20, 2011. It has since been filed on SEDAR and on Kenai's website at www.kenairesources.com.

Sao Chico is located within the Tapajos region in Brazil, the site of one of the biggest gold rushes in recent history. In the late 1970's and 1980s, approximately 500,000 garimpeiros rushed to the region to exploit extensive areas of newly discovered alluvial gold, producing approximately 20-30 million ounces of gold before the easily won alluvial gold deposits were largely depleted. Little modern exploration has been conducted over the region to date, with excellent potential to expand gold operations at Sao Chico.

As previously advised, ASX-listed Gold Anomaly Ltd via its wholly owned Brazilian subsidiary GOAB, until Kenai exercises its options to acquire 50% and then 75% equity in GOAB, holds the Sao Chico mineral rights to the Sao Chico project in consideration for loan funds provided by Kenai for activities to date at Sao Chico. The options expire at the end of September 2012.

About Kenai Resources

Kenai is a Canadian company focused on precious mineral project exploration and development, towards early significant gold production. In addition to the Sao Chico gold project in Brazil, Kenai is also involved in exploration of the wholly-owned Quartz Mountain and Hope Butte epithermal gold projects in South-Eastern Oregon, both located in Malheur County, close to the Oregon border with Idaho. Kenai's current indicated and historical gold resources from the two Oregon projects are summarized as follows:

Project	Tonnes	Grade	Ounces AuEq	Status/Classification
Quartz Mountain	15,050,200	0.80 g/t Au	352,667	Indicated Resources NI43-101 compliant
Hope Butte	5,000,000	0.91 g/t Au	146,300	Historical, not NI 43-101 compliant

Footnotes:

1. For Quartz Mountain, resources above a 0.34 g/t cutoff with silver converted to gold equivalent using a ratio of 49.5:1 silver to gold. Metallurgical recoveries were not considered. Indicated resources are as reported in an independent November 2006 NI 43-101 report, posted on SEDAR at that time.
2. The Hope Butte resources are considered historic in nature, do not comply with current NI 43-101 standards, have not been verified by the Company and therefore should not be relied upon. It is uncertain if further exploration will result in the discovery of an economic mineral resource.

On behalf of the Board of Directors of Kenai Resources Ltd

Greg Starr, President and CEO

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed and elsewhere in the company's periodic filings with Canadian securities regulators. The economic viabilities of the resources estimates discussed in the release have not been established and may not be. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.

The technical content of this news release has been reviewed by Kenai's Vice President Technical Services, Neil Cole, who has sufficient experience which is relevant to the style of mineralization under consideration and to the activity which is being undertaken and planned to qualify as a Qualified Person under NI 43-101.

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APPENDIX

Preliminary Assay Results - Samples of High Interest - Drillholes 002 to 006

Drillhole I.D.	Downhole Lengths - meters			g/t Au	Lithological Description
	From	To	Intercept		
11-SC-002	29.6	31.1	1.5	<0.03	Altered granite
11-SC-002	36.25	38.25	2	0.22	Covering 36.25 m to 40.55 m, pervasive silicified intrusive with chlorite, pyrite (<5mm, sub-euhedral) and minor epidote. Approx 90% quartz, 8% chlorite, 3% pyrite. Some relic plagioclase can be observed in isolated zones. At 39.55m and 39.75m, two <30mm vuggy quartz veins.
11-SC-002	38.25	40.11	1.86	19.41	
11-SC-003A	67.95	69.60	1.65	0.03	Altered granite
11-SC-003A	92.30	93.14	0.84	0.18	Quartz vein
11-SC-004	49.10	50.30	1.2	60.93	From 49.11 m to 49.40 m, 53mm and 5mm quartz veins through granite. Veins are vuggy in appearance and have heavily altered the granite to quartz, chlorite and epidote. <3mm sub-euhedral pyrite is abundant in the altered zone, and is concentrated at the lower extent of the alteration zone, forming up to 10mm sub-euhedral pyrite that defines almost the entire boundary. From 49.40 m to 52.29 m, almost completely altered granite, forming 40-50% quartz, 30% epidote, 10-15% pyrite and 10-15% chlorite and galena. Original granite texture can be seen in a few locations. Numerous <10mm quartz veins run through with <10mm sub-euhedral pyrite concentrated around them. <3mm sub-euhedral pyrite is disseminated through the whole of the core (weaker where granite texture still present), as is <2mm sub-euhedral galena.
11-SC-004	50.30	51.15	0.85	0.58	As above
11-SC-004	51.15	52.28	1.13	0.32	As above
11-SC-004	52.28	52.83	0.55	0.69	Quartz vein
11-SC-004	77.10	78.53	1.43	<0.03	Granite
11-SC-004	78.53	79.95	1.42	0.06	Altered granite, with some unaltered
11-SC-004	79.95	81.45	1.5	0.3	Altered granite
11-SC-004	95.50	97.00	1.5	<0.03	Altered granite
11-SC-004	97.00	98.05	1.05	<0.03	Granite
11-SC-005	142.13	143.71	1.58	97.57	Granite with minor veinlets above, then from 142.24 m to 142.64 m Flooded quartz vein zone with white/pale vuggy quartz and <2mm dark grey quartz veinlets running through. Dark grey quartz often has chlorite formed around it as well as <2mm sub-euhedral pyrite. <2mm sub-euhedral galena can also be seen on occasion as too can minor sericite. From 142.64 m to 143.70 m, heavily altered granite forming a quartz/chlorite/pyrite and galena zone. Quartz appears vuggy with the original granite textures completely replaced through the majority of the core. <20mm sub-euhedral pyrite is highly abundant through the core forming variably between 40-60% of the mineralisation. <10mm sub-euhedral galena is also abundant, forming mostly around <2mm dark grey quartz veinlets. The galena forms up to 5-10% of the core.
11-SC-005	184.25	185.56	1.31	awaited	Altered granite + quartz vein
11-SC-005	185.56	186.60	1.04	awaited	Altered granite + quartz vein
11-SC-006	126.02	127.10	1.08	awaited	Altered granite
11-SC-006	132.78	133.90	1.12	awaited	Altered granite
11-SC-006	133.90	134.93	1.03	awaited	Altered granite