GOLD ANOMALY

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QUARTERLY ACTIVITIES REPORT

For the period ended 31 December 2012

ABOUT GOLD ANOMALY (ASX CODE: GOA)

Gold Anomaly Limited ("GOA" or "the Company") is focussed on exploration at the potentially world class Crater Mountain gold project in PNG and at the A2 polymetallic and Jolly Tar, Golden Gate gold and graphite projects at Croydon in Queensland.

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KEY POINTS

Crater Mountain - Papua New Guinea

- Independent petrological review confirms NEV 033 drill hole peripheral to major porphyry copper-gold system
- An Independent consultant reviewing the petrology and mineralogy of drill core identified that there is 2 to 4 M ozs Au potential in Mixing Zone at Nevera project (Note - the potential quantity is conceptual in nature and there has been insufficient exploration to define an enlarged Mineral Resource and it is uncertain if further exploration will result in an enlarged Mineral Resource)
- Plans finalised for detailed airborne geophysics over Crater Mountain tenements early in 2013

Croydon - Queensland

Polymetallic Project

- A 452m hole was drilled into the G1 gravity anomaly target to test its relationship with the previously drilled and prospective A2 coincident gravity / aeromagnetic anomaly some 5km away.
- "G1" target drill hole core showed no discernible economic results.
- Focus will return to testing the A2 zone where previous drilling resulted in a 5m massive sulphide intercept averaging 8% Zn, 180g/t Ag, 0.58% Sn and 0.57% Cu.

Jolly Tar Prospect

- 6 holes were completed at Jolly Tar
- Gold mineralisation drilled historically confirmed at Jolly Tar Prospect with best result 6m @ 2.9g/t Au from 29 to 35m in hole JTP-GR03
- Patchy graphitic mineralized zones were also referenced in historic logs undergoing analysis for graphitic carbon
- 3 holes in a new IP anomaly identified in 2012 show intrusive with pyritic fractures and sparse patchy graphitic pods being cause of the strong IP anomaly.
- The drill results did not improve the economic assessment of Jolly Tar
- Focus will now turn to the Golden Gate prospect when granted

Golden Gate Graphite Project

- EPMA18616 expected to be granted early in 2013

Cornerstone Investor

- New major shareholder Freefire Technology Limited provides capital injection to advance projects.
- Previous equity financing from Bergen now completed and all shares sold.

CRATER MOUNTAIN, PNG (GOA earned 90%)

- Independent petrological review confirms NEV 033 drill hole peripheral to major porphyry copper-gold system
- The porphyry copper gold mineralisation Is widely represented by multiple stages of quartz veining characteristic of copper sulphide-bearing porphyries
- Independent report shows 2 To 4 M ozs potential in Mixing Zone at Nevera *(Note - the potential quantity is conceptual in nature and there has been insufficient exploration to define an enlarged Mineral Resource and it is uncertain if further exploration will result in an enlarged Mineral Resource)*
- Plans finalized for detailed airborne geophysics over Crater Mountain tenements early in 2013

BACKGROUND

The flagship Crater Mountain gold project is located in the Eastern Highlands of Papua New Guinea ("PNG") near the eastern end of the New Guinea Orogen geological province, which hosts a number of world-class copper-gold deposits including the world's largest copper-gold mine at Grasberg in Indonesia's Papua Province. Exploration is focused principally at the Nevera Prospect, one of four prospects identified within the Company's licences, which has the potential to host substantial (potential multi-million ounce*) gold deposits, and was considered a tier-1 (best prospectivity) asset by previous owner BHP who relinquished the property only when they withdrew from PNG in 1997 during a reappraisal of their worldwide exploration strategy.

The four principal prospects are shown in Figure 1.

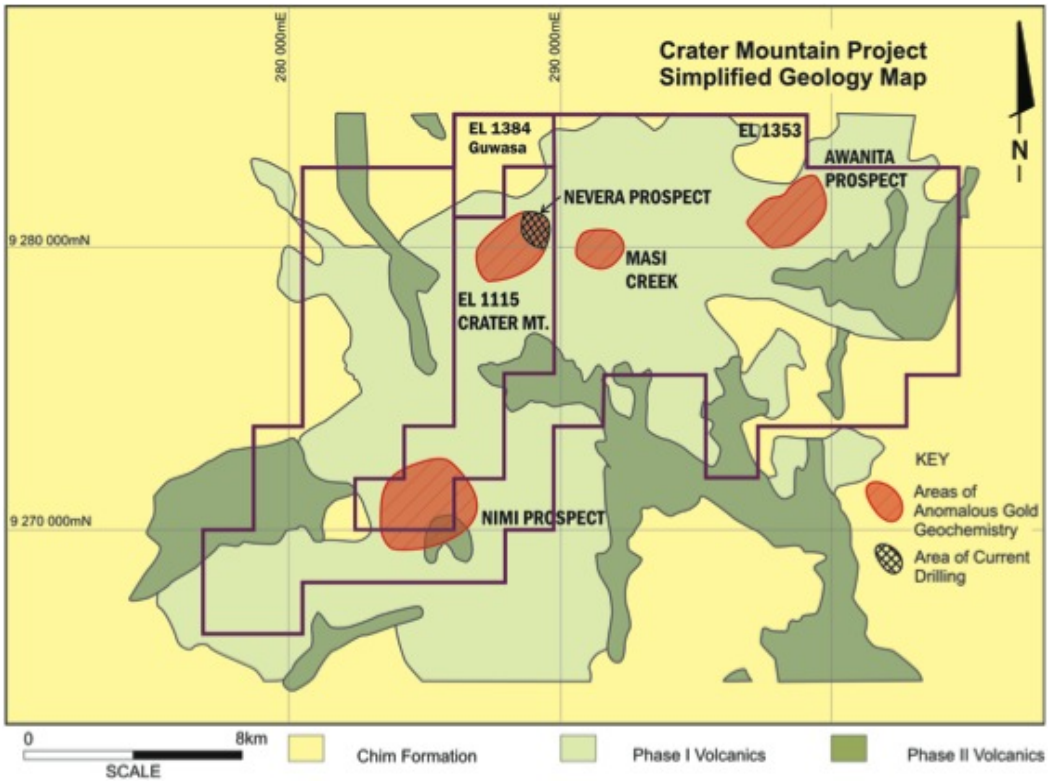

Figure 1 - Prospect map - Crater Mountain

**Drilling to date has focused on an area described as the "Main Zone" which has dimensions 600m x 250m x 250m. As the drilled inferred resource is open laterally the Company is targeting between 1 – 5M ozs Au in this area. The potential quantity is conceptual in nature and dependent on further drilling to verify it.*

A JORC compliant inferred resource of 24Mt at 1.0 g/t Au for 790,000 ounces has been defined in carbonate-base metal sulphide-gold mixing zone mineralisation (" Main Zone ") at the Nevera Prospect using a 0.5 g/t Au cut-off (at 0.15 g/t Au cut-off grade a non-compliant resource in excess of 3.0 M oz is estimated).

Importantly, this inferred resource is open laterally and perhaps to depth, following down a possible steep plunge to the northeast. It also does not include potential gold from the High-Grade Zone (Artisanal Mining Area) or potential Pb-Zn-Au 'feeder zones' and porphyry copper-gold at depth.

Given that the Main Zone is still open laterally and possibly to depth, there is significant potential to increase this resource with additional holes targeting these extensions.

The Nevera Prospect has four key elements of economic potential substantiated by its drilling results:

1. The Main Zone carbonate base metal sulphide-gold mixing zone mineralisation in excess of 600m long by 250m wide by 250m thick with an already identified 790,000 ozs inferred resource at 0.5 g/t Au cut-off and open in all directions showing potential to further increase the resource
2. High grade gold potential of the "artisanal mining area" type ("High Grade Zone")
3. A possible large porphyry copper-gold system at depth ("Golpu" type from Wafi-Golpu)
4. A possible lead-zinc related feeder zone at the margin of the deep intrusion causing intense baking of the sub-volcanic basement shales underlying the Mixing Zone (Porgera "Waruwan" type).

Results to date indicate that the Nevera Prospect lies within a typical large and complex New Guinea Orogen mineralised hydrothermal system, with excellent potential to host a number of deposits within its bounds. Mineralisation is associated with sub-volcanic magmatic activity related to the Pliocene to present day Crater Mountain volcanic complex.

Based on its regional exploration the Company believes that the Nevera mineralisation styles may be replicated in a number of other locations in the Crater region, and further evidence for this is expected to be drawn from the results of the forthcoming airborne geophysical survey.

KEY DEVELOPMENTS DURING THE QUARTER

PETROLOGY CONFIRMS PORPHYRY COPPER-GOLD AT CRATER MOUNTAIN

- NEV 033 drilled within periphery to major porphyry copper-gold system
- Petrological and mineralogical study verifies and highlights the presence of strong porphyry copper-gold mineralisation underlying the northern end of the Nevera Prospect

During the quarter the Company received a final report on the petrology and mineralogy of drill core from drill hole NEV033 at the Nevera Prospect at the Crater Mountain project, PNG. The report by Mr Anthony Coote of Applied Petrologic Services & Research in New Zealand ("APSAR"), includes a detailed discussion of his findings which confirm and highlight the drill hole's proximity to a nearby major porphyry copper-gold system. This confirms that the Nevera prospect has three distinct mineralised zones of economic potential: the Mixing Zone, the High Grade Zone and now the copper-gold porphyry zone. A fourth potentially economic mineralisation style, a Pb-Zn-Au feeder zone associated with the deep magmatic source rocks, is inferred from earlier drill results.

GOA's final drill hole of its last drill program, NEV033, was a deep hole collared down-slope from NEV020, with the distinction of being the first drill hole since the initial BHP drilling program sited specifically to target porphyry copper-gold.

Based on the identification in earlier widely spaced drill holes of minerals that are characteristic of the broad propylitic halos that surround porphyry cu–au deposits, an area at least 800m long by 400m wide lying at depth under the northern end of the prospect ridge is interpreted as being proximal to a porphyry Cu-Au system.

NEV033 was sited and oriented to test this interpretation, its location based particularly on the presence of strong coarse phyllic alteration in the lower part of drill hole NEV020; strong phyllic alteration caps are commonly found to overlie deep buried porphyry deposits.

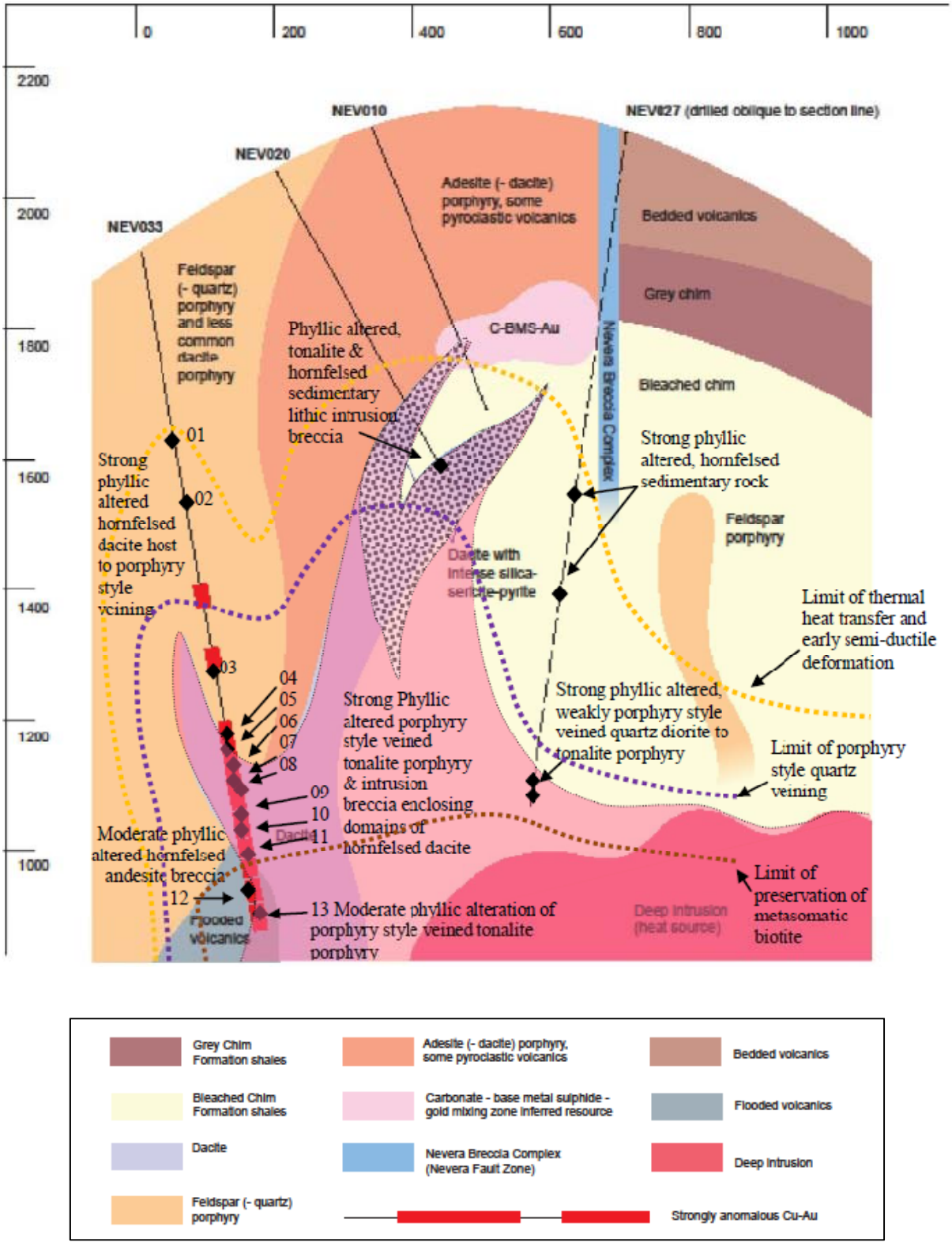

Figure 2 - Cross section by APSAR showing locations of petrographic samples in NEV033 and interpreted distribution of porphyry Cu-Au related structures Note: NEV027 is drilled oblique to section

NEV033 was planned to reach 1,100m depth, however deflection of the drill stem and consequent tightening of the rods caused the hole to be terminated at 984m.

The widest intersection of strongly anomalous copper and gold values in NEV033 is 124m from 704m down-hole to 828m; average values over this interval are 900 ppm Cu and 0.38 g/t Au. Molybdenum (Mo) is also anomalous in a number of coherent sections within the hole, most particularly at the base.

PETROLOGY AND MINEROLOGY OF NEV033

In summarising APSAR's very detailed findings, Coote states the petrological study *"confirms strong phyllic/silicic alteration overprinting of porphyry style copper mineralisation developed within thermally metamorphosed/metasomatised dacites and basaltic andesite rocks, and potassic metasomatised tonalite porphyries, the latter probably in part causative to thermal and metasomatic effects including copper (and gold) mineralisation"*.

Coote noted that *"chalcopyrite and bornite comprise the copper mineralogy contained within prograde potassic metasomatism/hornfels replacement/recrystallisation assemblages, and that contained within paragenetically associated porphyry style quartz veining. The chalcopyrite and bornite stability persists with retrograde phyllic alteration overprinting, whereas minor amounts of chalcopyrite and more abundant tennantite/tetrahedrite comprise the copper mineralogy present within base metal-carbonate fracture-fill and breccia cement assemblages"*.

ON-GOING PORPHYRY COPPER-GOLD EXPLORATION

Drilling is currently on hold at Crater Mountain whilst the Company consolidates and evaluates the huge amount of data generated over the past 2 years, and conducts further surface exploration and airborne geophysics in the first quarter of 2013.

There are no detailed airborne geophysical data available over the Crater Mountain area. The Company has contracted Thompson Aviation Pty Limited to carry out a detailed survey over its Crater Mountain tenements in Q1 2013. The survey will be heliborne magnetics/radiometrics on line separations of 100m flown at 50m above tree-top height. It is intended that this will be conducted over the whole of its Crater Mountain tenements, with particular emphasis on the Nevera Prospect where it can be expected to generate considerable detail of the underlying intrusions, alteration patterns and structural controls, all of which are critical to the Company in planning ongoing drilling of the porphyry copper-gold potential.

Geological mapping and sampling are continuing, with an emphasis being given to the Nevera Prospect where a number of targets will be made drill-ready, in particular the next deep porphyry copper-gold target which will also draw heavily on the results of the airborne geophysics.

GOLD RESOURCE IN THE MIXING ZONE

In early 2012 consultant Dr Andrew Redmond outlined a coherent volume of 23.8mt at 1.04 g/t Au using a 0.5 g/t Au cut-off from adjacent drill holes within the gold-bearing component of the mixing zone, which defined a JORC compliant maiden inferred resource of 790,000 ounces of gold that remains open laterally and possibly to depth in the northeast; higher grade portions were identified within this resource. Using a 0.4 g/t Au cut-off resulted in an inferred resource of 27.2mt at 0.97 g/t Au for 843,000 ounces, whilst using a 0.8 g/t Au cut-off resulted in 14.6mt at 1.3 g/t Au for 602,000 ounces of gold, and using a 1.0 g/t Au cut-off resulted in 10.1mt at 1.46 g/t Au for 473,000 ounces of gold

Late in 2012, following additional drilling by GOA, the Company requested that H&S Consultants Pty Ltd ("H&S", formerly Hellman & Schofield Pty Ltd), an independent geological consultancy based in Sydney, Australia, undertake an assessment of the exploration potential of the Nevera Prospect. The new results along with the re-interpretation of the geometry of the mineralisation by H & S has now identified a much larger gold envelope to the Inferred Resource and this envelope makes up an expanded exploration target for the Prospect.

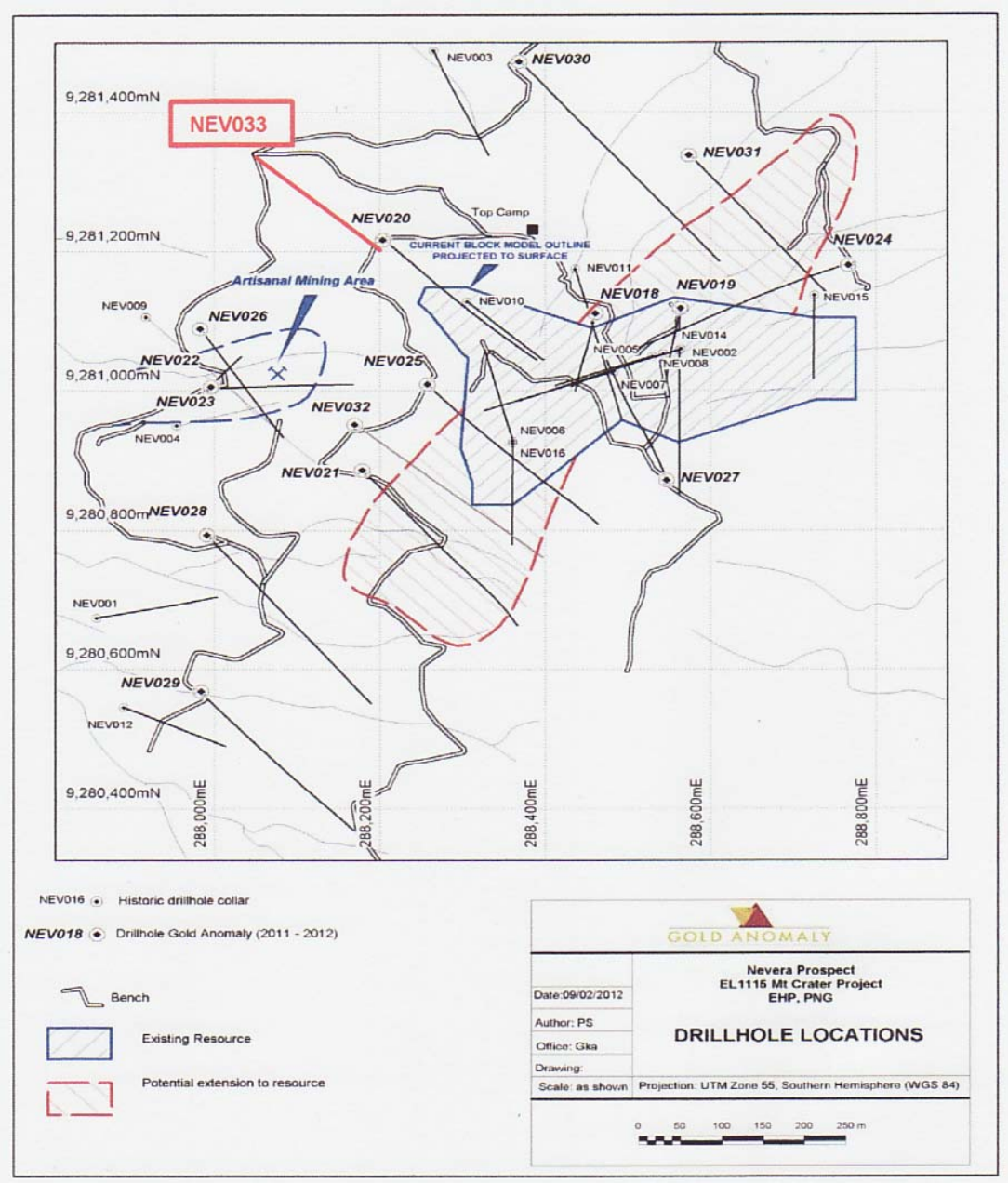

Figure 3-- Existing Inferred resource envelope and drill hole collars (Redmond) and NEV 033 location

The Nevera Main Zone is a low-sulphidation epithermal carbonate-base metal sulphide-gold deposit of the "mixing zone" style. Mixing zone mineralisation is deposited predominately as veins, stockworks and breccia matrix when deeply penetrating downwards circulating carbonated groundwater mixes with rising hot mineralised magmatic fluids derived from a deep intrusive source. Other Pacific Rim examples include Kelian in Indonesia and Hidden Valley and Wafi in the Morobe Goldfield of Papua New Guinea

The deposit is hosted at the contact between the lavas, porphyries and breccias of the Crater Mountain Volcanic Complex and the underlying Chim Formation sediments. The deposit occurs as a broad flat lying auriferous zone straddling the contact juxtaposed with a more steeply dipping structurally developed auriferous zone, part of the Nevera Breccia Complex and Fault System.

A new wireframe representing the gold envelope within the mixing zone has been interpreted by H&S based on the above geological principles, the diamond drilling (on 100m spaced sections) and a nominal gold cut-off grade of 0.15 g/t. The dimensions of this new mineral body are 750m of strike, 550m of width and an average thickness of 150m to give an approximate volume of 60 M m^3. 19 drill holes have intersected this interpreted wireframe with an average gold grade for 801 x 4m composites

of 0.7g/t. H & S concluded that the exploration potential for the Main Zone at Nevera based on the above and using an average density of 2.65 t/m^3 and a gold cut off of 0.15g/t is defined as:

100 to 200Mt at 0.5 to 1 g/t Au for contained gold of 2.0 - 4.0 million ozs*

**This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define an enlarged Mineral Resource and it is uncertain if further exploration will result in the determination of an enlarged Mineral Resource.*

Main Zone - Drilling Intervals

Holeid	Length (m)	Gold g/t	Copper ppm	Lead ppm	Zinc ppm	From (m)
NEV002	193	1.19	134	610	958	147
NEV003	67.4	0.27	20	41	523	198
NEV005	156.6	1.36	48	474	514	94
NEV008	272	1.02	145	558	897	114
NEV010	109.3	0.64	277	320	435	300.7
NEV011	206.1	0.85	266	626	894	142.7
NEV014	87	0.76	188	1092	2007	110
NEV015	104	0.36	244	605	648	105
NEV016	42	0.17	267	1930	2619	138
NEV018	190.6	0.95	151	400	593	128
NEV019	314.1	1.08	252	333	565	102
NEV020	105.7	0.20	19	89	205	243.4
NEV021	274	0.50	305	123	292	188
NEV024	236	0.38	412	414	560	248
NEV025	98	1.06	563	354	597	248
NEV027	70	0.41	158	1266	1839	74
NEV027	188.2	0.35	197	432	1552	183.8
NEV030	122	0.24	263	70	137	124
NEV031	292.4	0.51	579	50	131	182
NEV032	64	0.34	142	67	91	302

Anomalous gold intersections were returned from drill holes outside the above identified Main Zone envelope, and these would be recovered during any open cut mining campaign. Further drilling with a view to converting the mixing zone mineralisation into defined resources is being planned during the Company's present exercise of consolidation and detailed evaluation of data.

H & S Wireframes

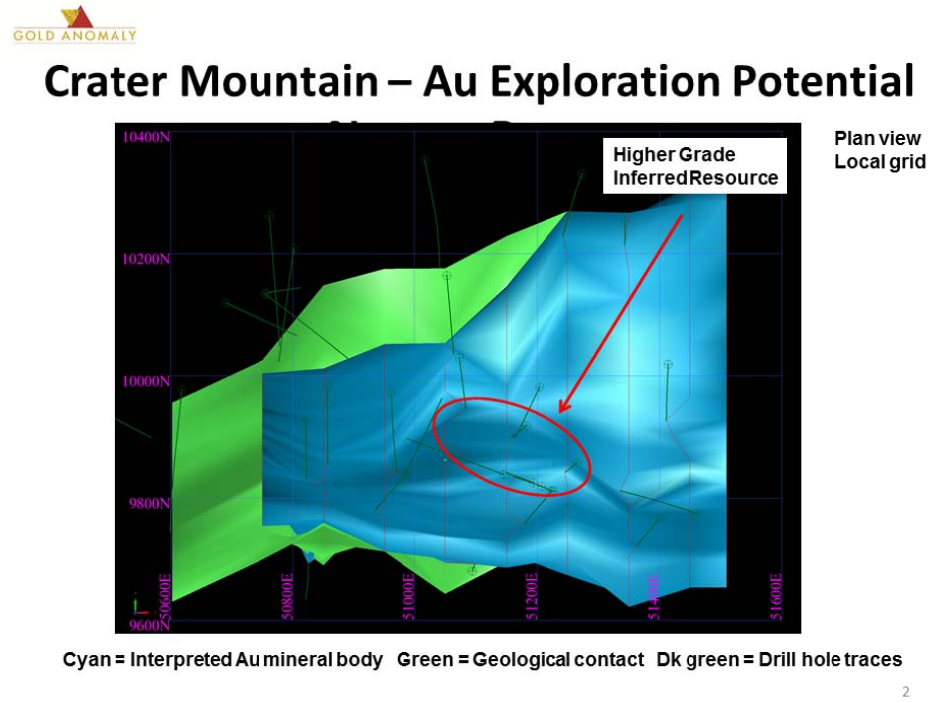

Figure 4 - Higher grade inferred resource

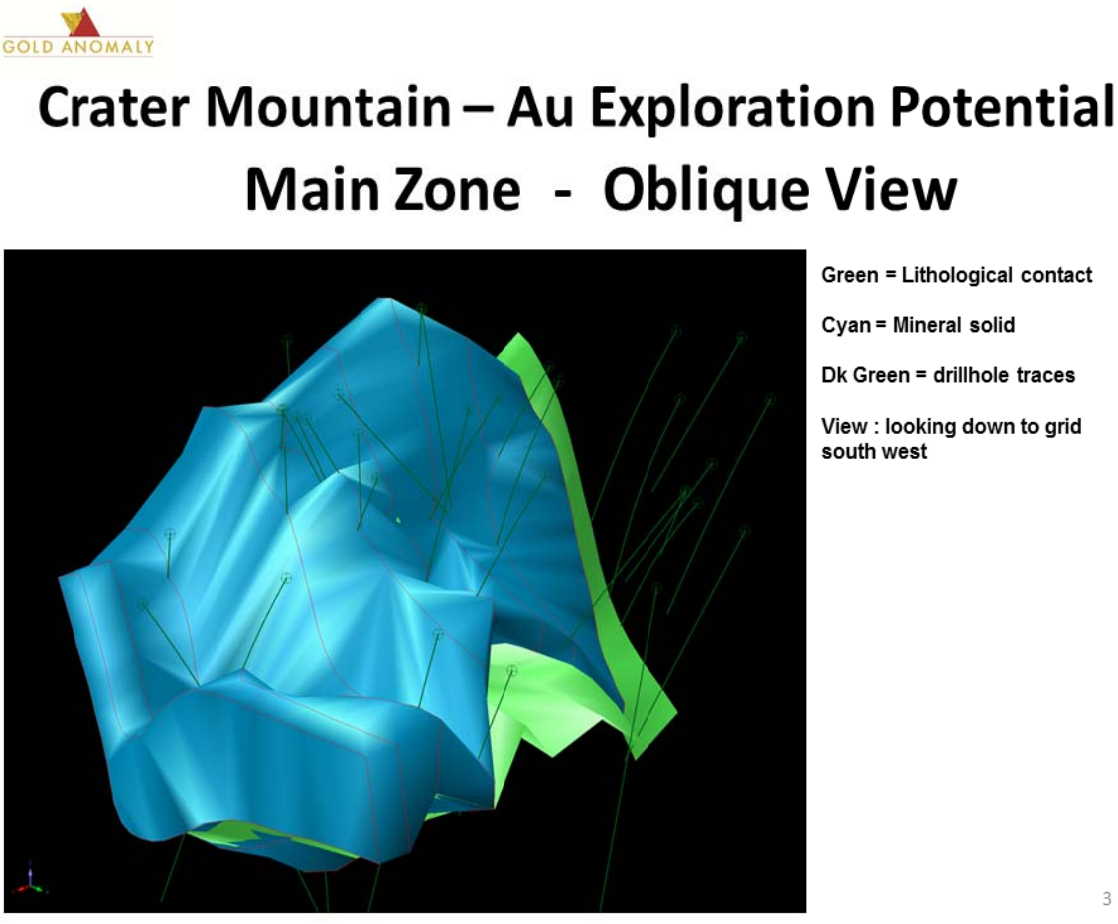

Figure 5 - Exploration potential

CROYDON POLYMETALLIC PROJECT – QUEENSLAND, AUSTRALIA

BACKGROUND

The Company holds 8 Exploration Permits Mining (EPM) in the Croydon region of North Queensland that cover 10 aeromagnetic and 3 gravity anomalies delineated during Government aerial surveys.

Previous drilling results at one of the aeromagnetic anomalies, A2 are of particular interest, with hole A2-001 returning a 5m massive sulphide intercept averaging 8% Zn, 180g/t Ag, 0.58% Sn and 0.57% Cu. Similar high value massive sulphide filled fracture zones are present in six of the other holes and all nine holes contain thick intercepts of strong Zn-Ag anomalism indicating the presence of a large mineralizing system. Mineralisation is hosted by Proterozoic sediments and commences at approximately 130m vertical depth at an unconformity with overlying Mesozoic cover.

The more important massive sulphide intercepts are highlighted in Figure 7 and presented in detail in Table 2. They appear to form linear patterns with and east-west strike and apparent vertical dip that suggests continuity of the zones is possible. Present hole spacing of 200m is too wide for certainty, but if continuous, the massive sulphide zones will represent a sizable polymetallic-tin deposit analogous to the Da Jing deposits of Inner Mongolia that have been major producers of base metals, silver and tin for over 40 years.

Since the massive sulphides are located in narrow fractures and at depths beyond 130m, the Company commissioned an analysis of the possible mining and mineral processing costs that might apply should a deposit be proven. It was assumed among other things that continuity and metal content of the massive sulphide zones and their metal content would reflect the available intercepts and that metallurgical production of concentrates would not be inhibited by deleterious contaminants and would be acceptable to smelters. The study cannot be interpreted as an absolute confirmation, however it did show that the results show potential for and further drilling is justified.

KEY DEVELOPMENTS DURING THE QUARTER

The Company under a Collaborative Drilling Initiative[1] (CDI) grant completed one 452m diamond drill hole to determine the cause of the large coincident gravity and IP conductivity anomalies at G1. G1 is located approximately 5 km west of the A2 polymetallic discovery and was drilled to determine if a mineralized intrusive could be the cause of the anomaly and if so did it have a genetic relationship to mineralisation at A2.

The drill hole at G1 showed that granitic intrusive and granitic dykes were the cause of the gravity anomaly and disseminated pyritic sulphides the reason for the conductivity response. Analysis of 121 core samples did not produce results of economic significance. It is concluded that the G1 intrusive are unlikely to have a genetic connection to the A2 and A1 polymetallic mineralisation and that future exploration should concentrate on the A2 area.

[1] CDI grants are an incentive program of the Queensland Government. The grant pays 50% of direct drilling costs of companies who make successful applications for a grant.

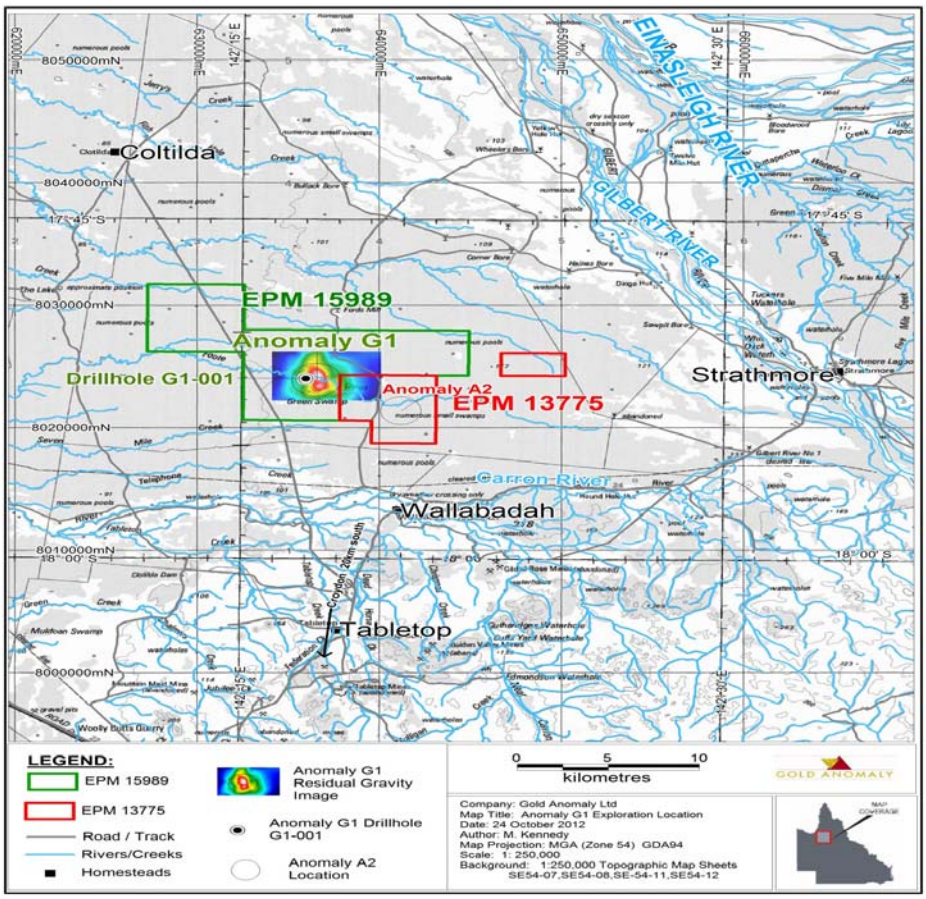

Figure 6 - Location Map of the G1 Anomaly showing Residual Gravity and location of the G1 drill hole completed with the assistance of the CDI grant.

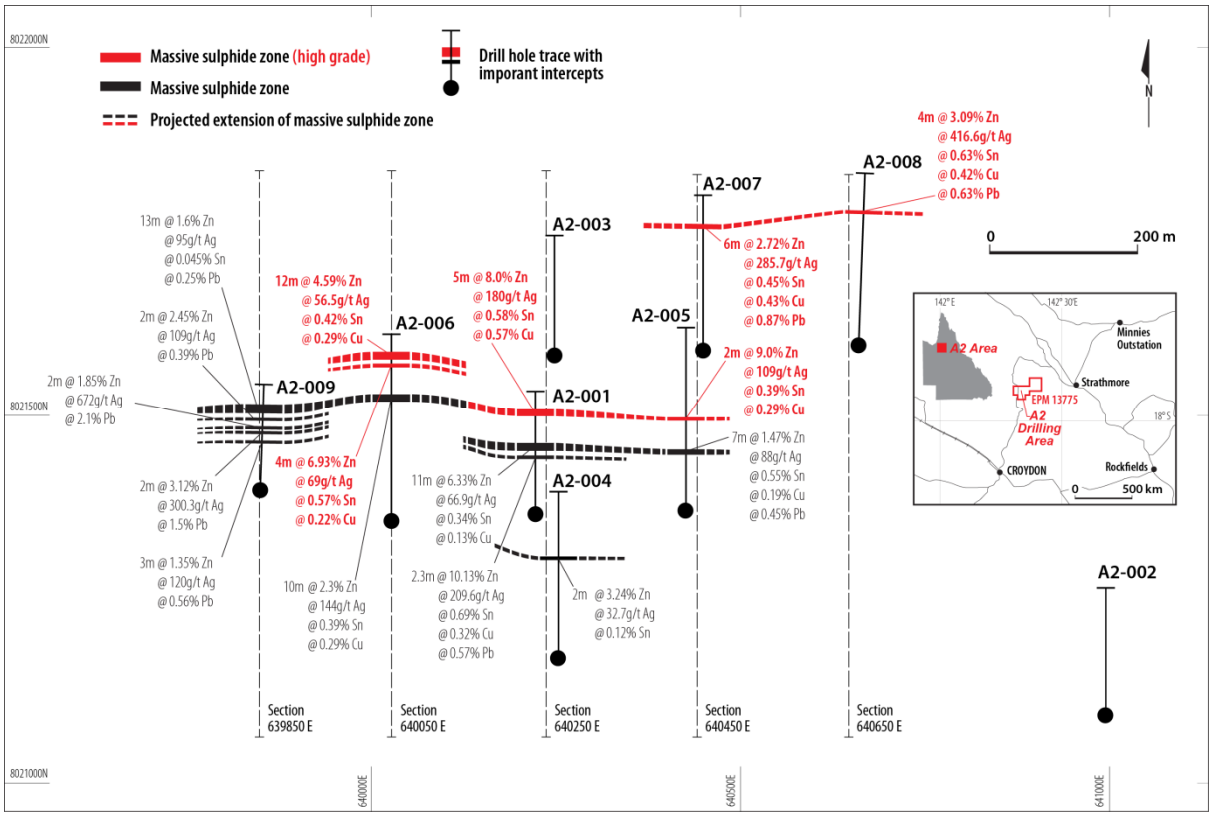

Figure 7 - Massive sulphide drill hole intersections at the A2 anomaly.

The tabulated intercepts represent the drill hole width (not apparent true widths) of massive sulphide zones and were selected based on a minimum intercept width of 2m and a maximum of 1m of internal dilution. The intercept metal assays were calculated using a weighted average, whereby the summation of the individual sample assay result is multiplied by the sample width then divided by the summation of the intercept length. Each sample is of half core and sample lengths varied from 0.4m to 1.3m, but the majority of samples were 1m in length.

MASSIVE SULPHIDE MINERALISED ZONES OF @ METERS WIDTH OR GREATER AT A2

Hole #	Intercept (m)	Width (m)	Zn %	Ag ppm	Sn %	Cu %	Pb %
A2-001	129.5 - 133	3.5		92	0.15		
	142.8 - 146	3.2	3.59	69	0.24		
	151 - 153	2.0	1.34	28	0.15		
	175.4 - 177.7	2.3	10.13	210	0.69	0.32	0.57
	211 - 222	11.0	6.33	67	0.34	0.13	
	409 - 414	5.0	8.00	180	0.58	0.57	
A2-002	449 - 453	4.0	0.12	16		0.42	
A2-003	175 - 178	3.0	1.02	46			0.50
	318 - 320	2.0	1.20	20			
	414 - 416	4.0	0.95	10			
A2-004	351 - 353	2.0	3.24	33	0.12		
A2-005	154 - 161	7.0	1.47	88	0.55	0.19	0.45
	201 - 203	2.0	0.62	98	Tr	0.29	0.62
	230 - 232	2.0	9.00	109	0.39	0.29	
	291 - 297	6.0	1.84	13			
A2-006	283 - 286	3.0	1.77	63	0.27		0.60
	305 - 315	10.0	2.30	144	0.39	0.29	
	418 - 422	4.0	6.93	69	0.57	0.22	
	425 - 437	12.0	4.59	57	0.42	0.20	
A2-007	211 - 213	2.0	3.18	37	0.18		
	285 - 287	2.0	1.02	41	0.36		
	391 - 397	6.0	2.72	286	0.45	0.43	0.87
	414 - 422	8.0	0.58	18	0.14		
A2-008	359 - 363	4.0	3.09	417	0.63	0.42	0.63
A2-009	230 - 233	3.0	1.25	120			0.55
	247 - 249	2.0	3.12	300			1.50
	261 - 263	2.0	1.85	672			2.10
	293 - 295	2.0	2.45	109	0.30		0.09
	300 - 313	13.0	1.60	95	0.05		0.25
	418 - 423.7	5.7	0.48	36	Tr		0.27

Note: Assay results are weighted average calculations for each interval calculated by multiplying the assay value by the sample width and dividng the sum of the products by the downhole width of the intercept Widths are downhole intercept lengths and not true widths.

Table 2 - Massive sulphide mineralised zones drilled at the A2 anomaly

JOLLY TAR PROSPECT

BACKGROUND

The Jolly Tar prospect is located on two contiguous EPMs; 8795 & 9438. As part of an ongoing exploration program, GOA completed an analysis of all historical drilling results at Jolly Tar. This study revealed that in addition to gold, many of the previous drill hole logs by Pancontinental Mining Limited reported significant graphite intercepts.

During 2011, gradient array and dipole-dipole Induced Polarisation (IP) surveys had been conducted at Jolly Tar. These surveys resulted in detection of a new, over 800m long, strong and persistent IP chargeability anomaly west of and parallel in strike to the historical Jolly Tar prospect gold workings and area of historical drilling.

KEY DEVELOPMENTS DURING THE QUARTER

During November 2012, the Company completed an initial 6-hole drill program for a total of 286.7 m to test gold & graphite mineralisation at the Jolly Tar Prospect and to determine the reason for a new geophysical target to the west for both its graphite and gold potential. The program consisted of six vertical drill holes (see figure 9) to intercept rocks responsible for the IP anomaly that may contain either or both gold and graphite zones.

Drilling confirmed the Jolly Tar prospect gold mineralisation (see table 3) and patchy and poddy graphitic zones were present both at the Jolly Tar prospect and in two (JTW-1201 and JTW-1202) of the three holes drilled into the IP anomaly. Core samples of these graphitic zones have been submitted for graphitic carbon analyses with results expected during February 2013.

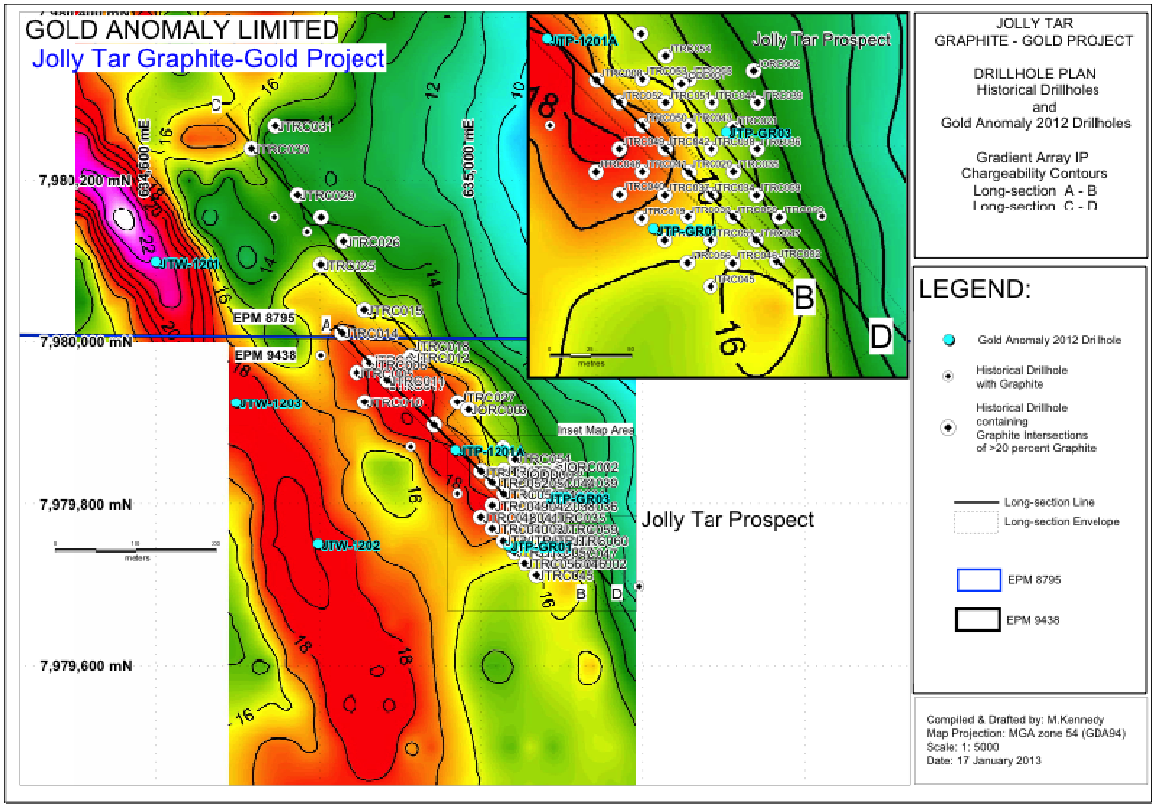

Figure 8- Drill hole plan showing graphite intercepts and gradient array IP anomalies at the Jolly Tar Prospect.

Drill Hole	Sample #	From (m)	To (m)	Au ppm	Ag ppm	Avg Au >0.2g/t	Avg Au >1g/t
G1-001	(No significant assays)						
JTP-1201A	JPDD-12-1009	9	10	0.60	0.30		
	JPDD-12-1020	20	21	0.80	0.20		
JTP-GR01	JPDD-12-1041	8	9	0.56	<0.2		
	JPDD-12-1042	9	10	5.90	0.20		2m
	JPDD-12-1043	10	11	1.91	0.60	4m	**3.9**
	JPDD-12-1044	11	12	0.20	0.20	**2.1**	
	JPDD-12-1050	17	18	0.21	<0.2		
						2m	
JTP-GR03	JPDD-12-1073	19	21	0.31	0.20	0.3	
	JPDD-12-1082	29	30	5.36	1.90		
	JPDD-12-1083	30	31	4.80	2.20		3m
	JPDD-12-1084	31	32	5.28	2.20		**2.1**
	JPDD-12-1085	32	33	0.52	0.70		
	JPDD-12-1086	33	34	0.53	0.80	6m	
	JPDD-12-1087	34	35	0.63	1.00	**2.9**	
	JPDD-12-1090	37	38	0.20	0.40		
	JPDD-12-1091	38	39	1.13	1.60	3m	2m
	JPDD-12-1092	39	40	0.53	1.00	0.62	1.3
	JPDD-12-1096	43	44	0.54	1.00	2m	
	JPDD-12-1097	44	45	0.38	0.80	0.46	
						2m	
JTW-1201	JWDD-12-1005	19	20	0.21	0.30	0.2	
JTW-1202	(No significant assays)						
JTW-1203	(No significant assays)						

Table 3 - Significant gold (>0.2/t) and silver assays from recent drilling by the Company at Jolly Tar. The weighted averages are calculated by dividing the sum of the assay X width products by the total width of the intercepts at cutoffs of 0.2g/t Au and 1g/t Au.

GOLDEN GATE GRAPHITE PROJECT

- No objections to the grant of the EPMA 18616
- Grant **of EPMA 18616 expected early in 2013**

BACKGROUND

A large graphite deposit is located within EPM 8795 and EPMA 18616 at the Golden Gate Project at Croydon, North Queensland (see figure 9).

The "Golden Gate" deposit has been estimated by Central Coast Exploration to contain approximately 20Mt @ at between 5 and 6% graphite, including a high-grade zone of approximately 6Mt with 10% graphite in their historical company reports. *Note that these estimates are historical and reported by Central Coast Exploration (CCE) in project reports and require substantiation by further drilling, assaying and metallurgical testwork by GOA. There is no certainty that these estimates of mineralisation will be commercially exploitable. This is not an estimate of a mineral resource as defined by the JORC Code.*

The Golden Gate graphite project is located partially on Exploration Permit Mining EPM8795 and continues onto the contiguous EPMA18616. The graphite deposit has undergone electromagnetic geophysical surveys and systematic drilling during the late 1980's and limited drilling and testwork by GOA in 2004. Typical RC drill intercepts from CCE drilling in 1989 are presented in Table 3.

SUMMARY OF RC DRILLING RESULTS AT GOLDEN GATE
NOVEMBER 1989 (CCE Report #192/90)

Hole #	Co-ordinates		End of Hole	Graphite Intercept	Width (m)	Average %C @ 2% cut-off
GGRC 2001	24201N	9550E	50m	44 - 50	6	3.5
GGRC 2002	23998N	9584E	44m	-	-	-
GGRC 2003	24000N	9701E	91m	48 - 78	30	7.3
GGRC 2004	23859N	9642E	76m	32 - 74	42	6.6
GGRC 2005	24101N	9773E	97m	37 - 93	56	6.0
GGRC 2006	24200N	9799E	93m	60 - 89	29	4.5
GGRC 2007	24200N	9699E	60m	3 - 56	53	5.8
GGRC 2008	24300N	9649E	66m	-	-	-
GGRC 2009	24399N	9699E	66m	-	-	-
GGRC 2010	24699N	9799E	30m	3 - 7	4	3.6
GGRC 2011	24901N	9700E	66m	-	-	-
GGRC 2012	25000N	9949E	48m	2 - 40	38	4.8
GGRC 2013	24999N	10049E	66m	-	-	-
GGRC 2014	25200N	10050E	80m	55 - 78	23	4.8/3.3
GGRC 2015	23799N	9324E	48m	5 - 24	19	3.8
GGRC 2016	25384N	9898E	48m	17 - 24	7	2.5
GGRC 2017	25599N	10099E	48m	7 - 28	21	3.8
GGRC 2018	24395N	10312E	66m	-	-	-
GGRC 2019	26600N	10400E	60m	-	-	-

Table 3 - Drill intercepts reported by Central Coast Exploration from drilling in 1989 at Golden Gate

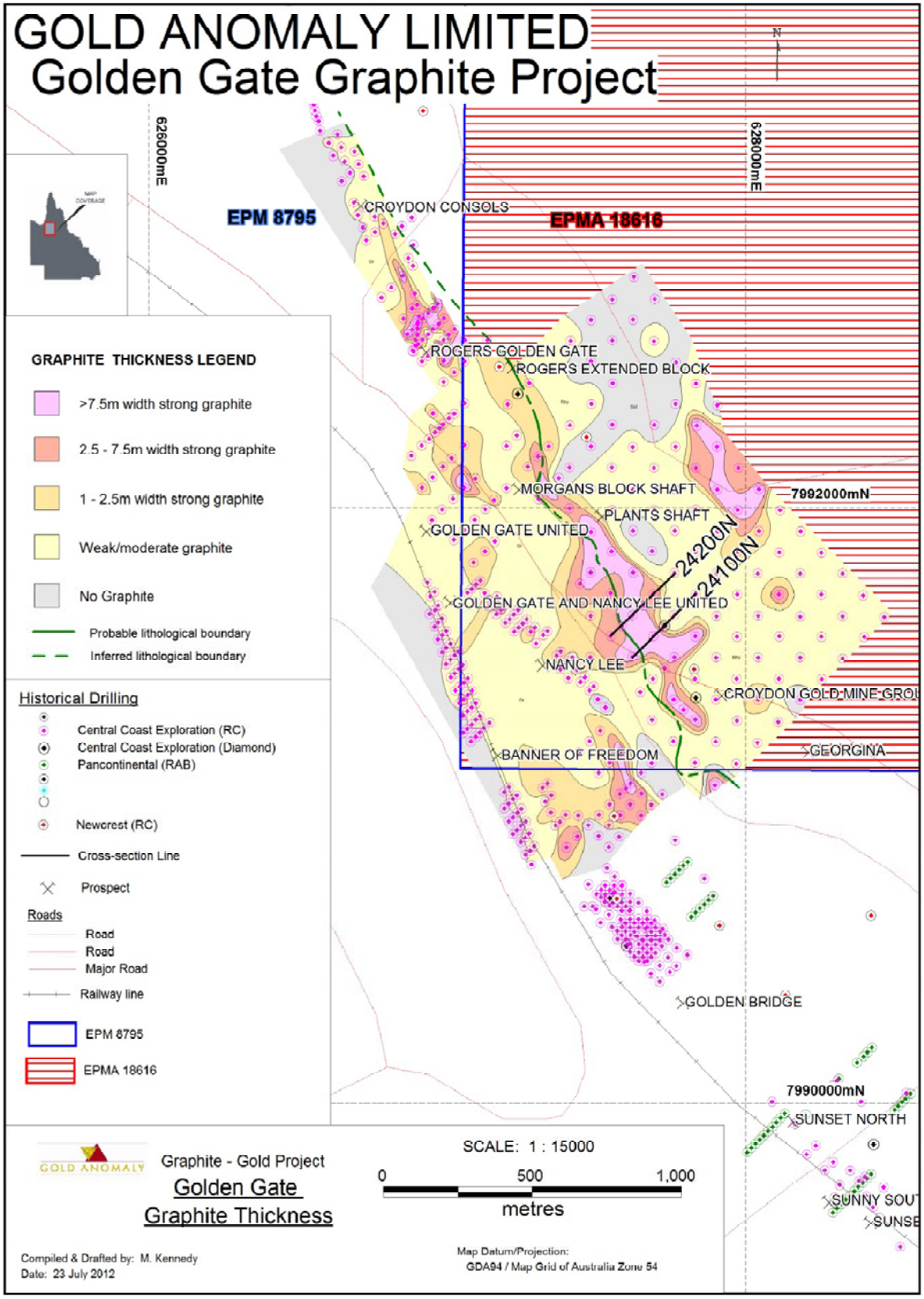

Figure 9 - Location Map of the Golden Gate graphite deposit showing relationship with EPM 8795 and new EPMA 18616 as well as historical drill hole locations and contours of graphite thickness.

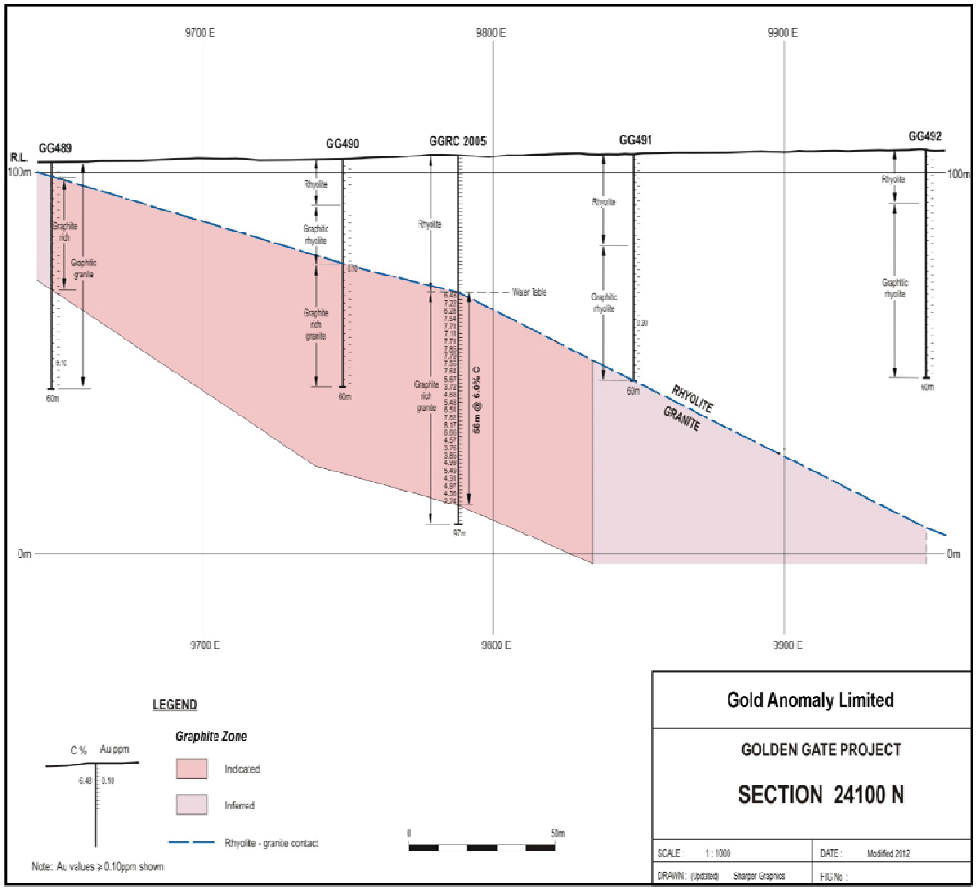

Figure 10 - Cross section of the Golden Gate graphite deposit (see figure 9 or location)

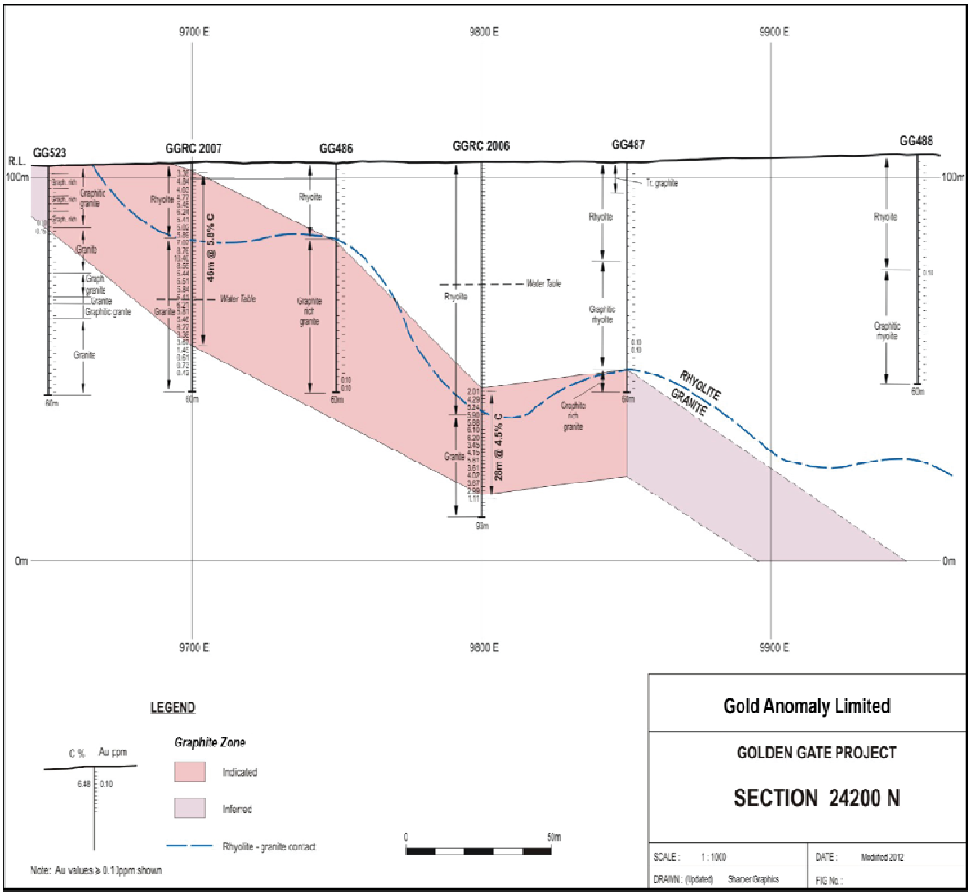

Figure 11 - Cross section of the Golden Gate graphite deposit (see figure 9 for location)

The deposit has a north-westerly strike and shallow easterly dip, which is similar to graphitic mineralisation identified at Jolly Tar, approximately 10 kilometres to the southeast. Hydrothermal or magmatic graphite deposits are an important source of graphite with examples being mined in Sri Lanka and Sweden that produce both flake and amorphous graphite.

Since the Golden Gate graphite deposit is reasonably well defined, the Company's exploration program will focus on collection of fresh drill core samples for modern metallurgical testwork. Past testwork done on RC chip samples and near surface grab samples with contradictory results.

The area is well served by infrastructure with the port of Karumba on the Gulf of Carpentaria that services the Century Pb-Zn mine being within 150 kilometres from regional centre of Croydon

KEY DEVELOPMENTS DURING THE QUARTER

the Company has entered into an agreement with Global Resources Corporation Limited ("Global") to acquire an Exploration Permit for Minerals in the Croydon District in North Queensland.

The relevant Exploration Permit is currently under application, and is expected to be granted to Global by the Queensland Department of Natural Resources and Mines early in 2013 .There were no native title objections to the application.

FERGUSSON ISLAND PROJECT, PNG

- Ministerial approval received for ELA 1972 (Gameta)
- Successful Wardens hearing held for ELA 2180 (Wapolu)

BACKGROUND

The Fergusson Island project comprises two drilled gold deposits, Gameta and Wapolu, which are located 30 kilometres apart on the north coast of Fergusson Island. Since 1996, over $15M has been spent on advancing 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.

The gold in both deposits is flat-lying, close to the surface and refractory. A 2004 Pre-Feasibility Study indicated the potential for economic gold development from production of 600,000t to 1Mt of ore per annum assuming the presence of sufficient mineralisation 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 and production of between 32,000 and 55,000 ounces of gold per annum. The study assumed a gold price of USD 400 per ounce.

Given subsequent technological advances in environmentally friendly bacterial leaching for refractory ores and the current high gold price, the Company is confident a profitable project can be developed.

KEY DEVELOPMENTS DURING THE QUARTER

A Warden's hearing was held in March 2012 where the Company was acknowledged as the successful applicant for exploration tenement ELA 1972 (Gameta). Confirmation of Ministerial approval for the grant of ELA 1972 was received by the Company in January 2013

A Warden's hearing was held on the 25th October 2012 for ELA 2180 (Wapolu). The landowners were supportive of the Company in its application. The Company is awaiting ministerial approval of ELA 2180.

CORPORATE

NEW CORNERSTONE INVESTOR

The Company announced the introduction of a new cornerstone investor, Freefire Technology Limited ("Freefire") of Hong Kong. An initial placement was subsequently completed (on 4 October 2012) to raise $700,000 through the issue 280,000,000 shares at $0.0025 per share. In addition, Freefire initially provided a loan of $1.3 million to the Company. This loan was repaid out of the proceeds of a rights issue underwritten by Freefire which resulted in Freefire owning 21% of the Company's shares. Subsequent to the end of the quarter Freefire appointed two directors to the Company's board.

Freefire have indicated that their aim is to:

- support the Company's plans to study the potential of near term production commencing at the high grade Artisanal Mining Zone at the Crater Mountain deposit
- conduct an airborne geophysics study over the Crater deposit to further identify the regional potential of the deposit
- continue to consider appropriate joint venture partners to enhance the development of the Crater and Croydon projects, and;

With Freefire Technology as a cornerstone investor in the Company, management can now continue to focus on advancing its projects rather than finding sources of funds so as to reflect the true potential value of the projects in our share price. As a result we expect shareholders will see the benefit of FreeFire's investment in the short term and long term.

RIGHTS ISSUE

The Company's 2 for 3 non-renounceable rights issue closed on 12 November 2012. Application funds totalling $3,671,331.10 were received

TERMINATION OF BERGEN FUNDING FACILITY

Subsequent to the end of the quarter, the Company announced that it had entered a deed to effectively terminate the funding arrangement with Bergen Global Opportunity Fund, LP ("Bergen

Bergen provided the Company with a flexible funding mechanism at a time when conventional sources were challenging. The funding served its purpose of bridging the Company to a larger transaction with a new cornerstone investor. Bergen has also been flexible and responsive in terminating its existing funding arrangement on short notice.

COMPETENT PERSON STATEMENTS

The information contained in this report that relates to exploration results at Croydon, Queensland is based on information compiled by J. V. McCarthy, MAusIMM, consulting Geologist. Mr McCarthy 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 McCarthy consents to the inclusion in this 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 and mineral resources at Crater Mountain, PNG is based on information compiled by Mr P Macnab, Non-Executive Director of Gold Anomaly Limited. Mr Macnab is a Fellow of The Australian Institute of Geoscientists and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Macnab consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.