
QUARTERLY ACTIVITIES REPORT

For the period ended 31 December 2010

ABOUT GOLD ANOMALY (ASX CODE: GOA)

Gold Anomaly is a gold-focussed company with both near-term mining prospects and longer-term world-class discovery potential.

The company's immediate focus is advancing the Crater Mountain gold project in PNG, and commencement of gold mining activities at the high grade gold project at Sao Chico in Brazil. The company is also progressing its Fergusson Island gold project in PNG.

Gold Anomaly Limited
ABN: 75 067 519 779
Level 4, 15-17 Young Street
Sydney NSW 2000
Australia
Phone (02) 9241 4224
Fax (02) 9252 2335

www.goldanomaly.com.au

Greg Starr
Executive Chairman
Phone (02) 9241 4224

Ken Chapple
Executive Director
Phone (07) 3711 7720
Mobile 0418 758 301

KEY POINTS

CRATER MOUNTAIN GOLD PROJECT, PNG

- Geological mapping and assay results from 2010 mechanical benching program lead to revised mineralisation model which highlights potential for major elongate mixing zone deposits overlying reactivated basement fractures
- 2,500 metre diamond drilling program underway at Crater Mountain's Nevera prospect to test proposed model
- Set to increase ownership to 70% with potential to increase to 90%
- Successfully completed first hole (NEV 18) to a depth of 594.6 metres on 20th January

SAO CHICO GOLD PROJECT, BRAZIL

- Geophysical surveying reveals two large anomalous conductive zones, most likely associated with pyritic mineralised zones
- Two composite rock grab samples return encouraging assay results of 1.61 g/t and 36.03 g/t gold respectively
- Similar samples from Sao Chico Vein No1 return average assay result of 15.0 g/t gold
- Preparation for installation of processing plant continues; commissioning anticipated first quarter 2011

FERGUSSON ISLAND GOLD PROJECT, PNG

- JORC compliant 295,000 ounce gold resource estimated at Fergusson Island's Gameta gold project
- 5.1Mt at 1.8 g/t gold inferred resource estimated at a cut off grade of 1.0 g/t gold.

CORPORATE

- Successfully raises \$2.3 million via placement to professional and sophisticated investors
-

Exploration activities increased during the quarter mainly as result of activities continuing at Crater Mountain. Mining development activities were undertaken at Sao Chico in Brazil during the Quarter. Expenditure on exploration activities totalled \$743,000 while expenditure on mining development totalled \$1,889,000

CRATER MOUNTAIN, PNG (GOA 51%, EARNING 70%)

Drilling begins at Crater Mountain

The maiden drilling program at the company's flagship Crater Mountain gold project in Papua New Guinea (PNG) commenced in December 2010. Crater Mountain is a former BHP tier-1 project which consists of three contiguous exploration licences spanning some 170km² in the highlands of PNG.

The 2,500 metre drilling program focuses on the north-eastern part of the Nevera Prospect, the most advanced of the four gold bearing areas identified to date within the Crater Mountain licences. Significant gold mineralisation has been confirmed there both at surface by the company's on-going mechanised benching program and at depth in drilling by earlier generations of explorers.

The drilling program is led by GOA director and PNG exploration manager Peter Macnab, who has played a key role in the discovery of major gold deposits totaling more than 50Moz gold throughout PNG over the past four decades.

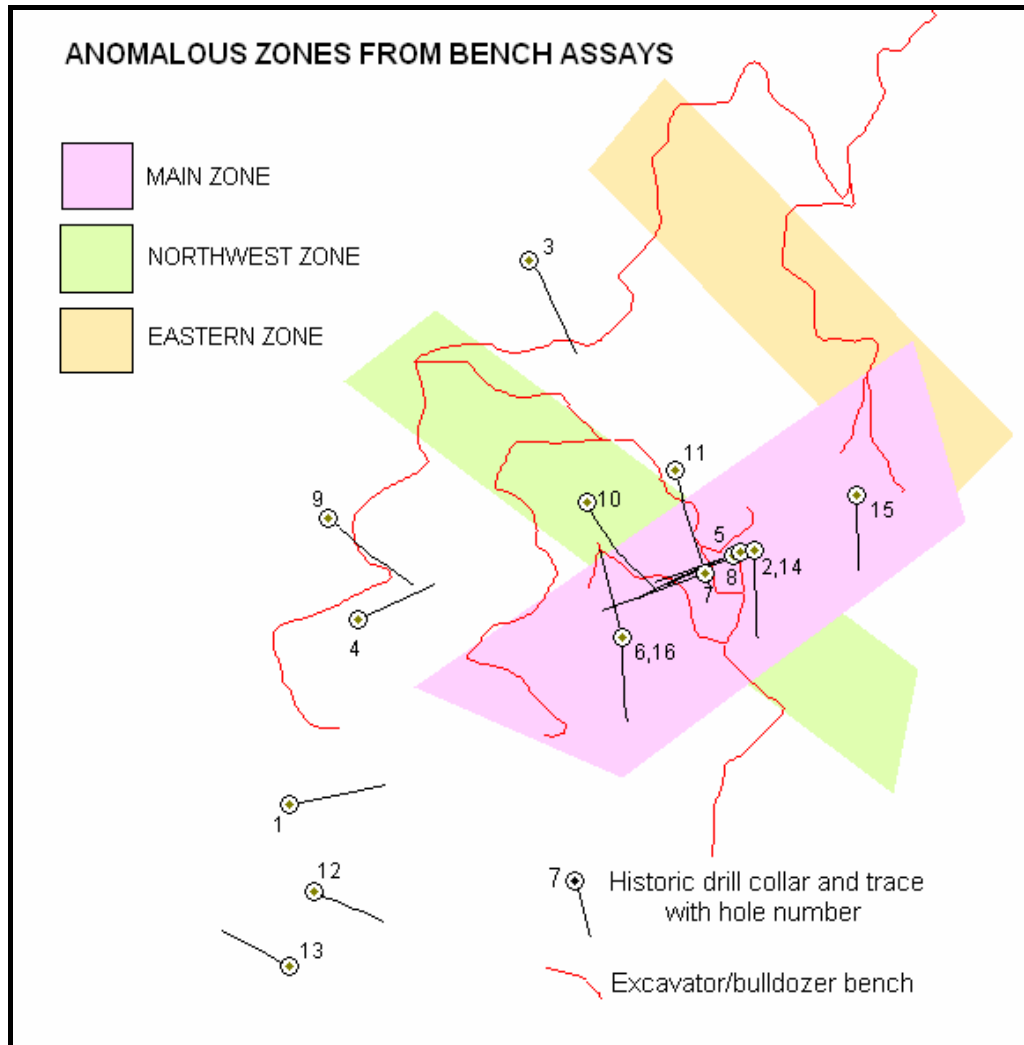


New top camp with NEV 18 (left centre) and drill pad for NEV 19 (left front)

Drilling will focus on testing the revised mineralisation model developed from the company's 2010 geological mapping and sampling program. The program incorporated 2,000 m of channel sampling from more than 6 kms of excavator/bulldozer access roads and benches which opened up an area at the northern end of the Nevera Prospect approximately 800 metres long and 700 metres wide, in the second half of 2010.

Mineralisation in this area is now interpreted as predominately carbonate-base metal sulphide-gold "mixing zone mineralisation" developed in joints and fractures where ascending hot mineralised magmatic fluids mixed with deeply circulating cold carbonated meteoric waters of the water table as

the hydrothermal system associated with magma in the roots of the Crater Mountain stratovolcano cooled. As indicated by anomalous rock geochemistry (Ag, Cu, Pb, Zn, As and S - Au is more widely spread) at surface the mixing zone mineralisation is concentrated in three elongate zones presumed to lie along reactivated major deep crustal fractures in the Mesozoic basement siltstones that penetrated upwards into the Pliocene dacite dome overlying the basement at the northern end of the Nevera Prospect; previous drilling intersected best grades mostly between about 1,900 m asl and about 1,750 m asl and the mineralisation may form "troughs" where the base of the water table penetrated more deeply along the reactivated fractures.

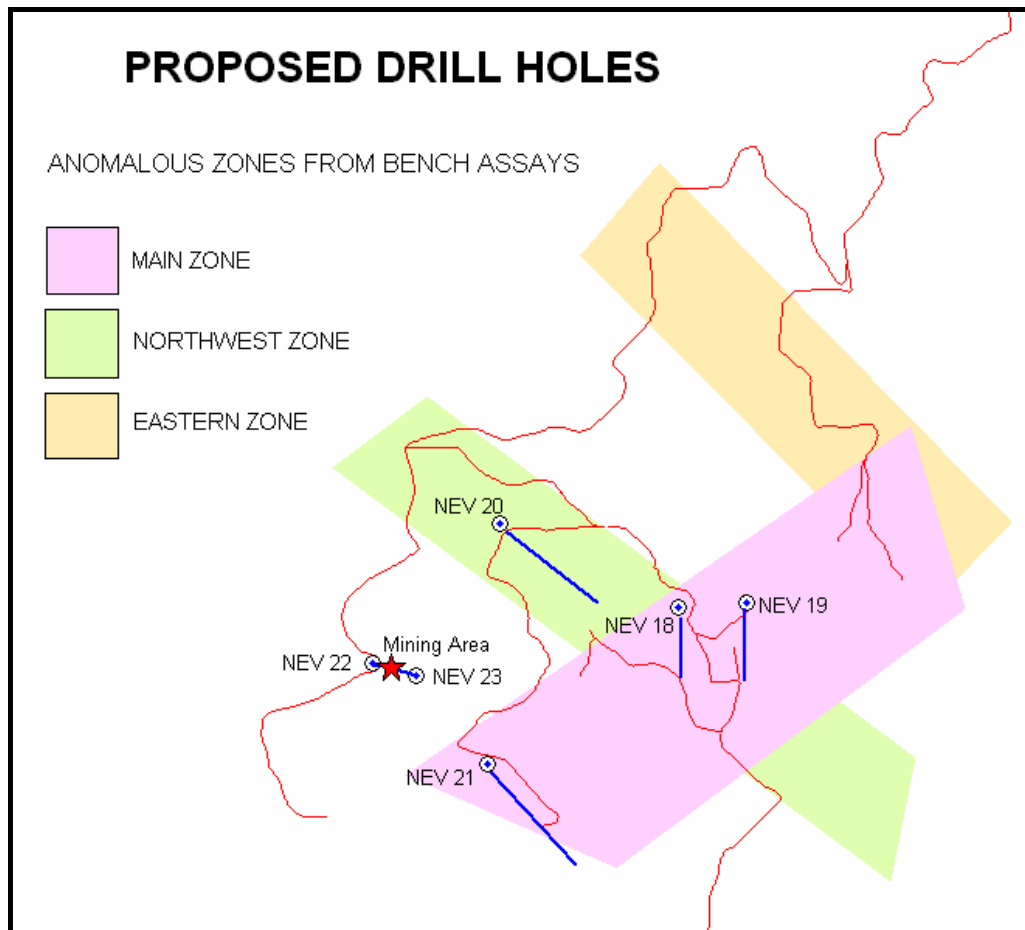


Historic drill holes that penetrated deep enough to intersect significant mixing zone mineralisation in the "main zone" area include:

- NEV 02: 121 metres at 1.77 g/t Au
- NEV 05: 151 metres at 1.38 g/t Au
- NEV 08: 178 metres at 1.30 g/t Au
- NEV 10: 129 metres at 0.61 g/t Au
- NEV 11: 205 metres at 0.86 g/t Au

The artisanal mining area lies some distance from the surface geochemical anomalous zones, and bench channel samples in the vicinity are not anomalous in Ag, As or base metals: geological mapping suggests that the gold is associated with higher temperature advanced argillic alteration, possibly overlying a near-vertical feeder zone.

Gold Anomaly's proposed drilling program is shown in the following sketch.



NEV 18 was targeted to drill steeply down the intersection of the centres of two major elongate anomalous zones which trend roughly northeast and northwest, in the vicinity of the historic drill holes briefly summarised above. It is intended to drill below the interpreted base of the mixing zone mineralisation in quest of a major feeder of magmatic mineralisation.

NEVs 19, 20 and 21 will drill other aspects of the mixing zone mineralisation and NEVs 22 and 23 will test for a vertical feeder beneath the artisanal mining area mineralisation.

Ownership

The Crater Mountain Project is governed by Agreements between a wholly owned subsidiary of Gold Anomaly (which currently owns 51%) and a group of three shareholders collectively called the "Minority Partners".

Gold Anomaly is in the process of confirming with the Minority Partners that through its expenditure of \$900,000 and drilling in excess of 750m that it has met the conditions required to increase its interest in Crater Mountain from 51% to 70%. Once confirmed, this increased stake will be registered with the appropriate authorities.

The Company announced in November that minority partner, New Guinea Gold Limited (NGG) has signed a Letter of Intent (LOI) whereby Gold Anomaly will acquire NGG's interest in Crater Mountain in exchange for 31,250,000 GOA shares.

By acquiring this stake and undertaking the current drilling program, Gold Anomaly may raise its ownership of the Crater Mountain project to 90%, assuming other minority partners currently considering their position do not participate in future exploration and expenditure.

Subsequent to the end of the quarter, the company reported that it had successfully completed its first drill hole at Nevera – NEV 18. NEV 18, which was drilled to a depth of 594.6 metres – the maximum capacity of the rig - has been logged and split, and will be transported for assaying results as soon as possible. The rig has since moved to NEV 19 where drilling is underway.

SAO CHICO GOLD PROJECT, BRAZIL (GOA 100%)

The Sao Chico project, located in the world class 'Tapajos Gold Province' in central Brazil, will become Gold Anomaly's first mine development. Sao Chico will be a high grade, small scale producer, with the potential to grow as the nearby resources are better defined. Gold Anomaly executed an agreement with Kenai Resources Ltd in September 2010 introducing Kenai as farm-in partner to assist with advancing exploration and commencement of production.

Encouraging electromagnetic anomalies located

In December, an initial horizontal loop electromagnetic survey (HLEM) over the main vein zone by Gold Anomaly's subsidiary Gold Aura Do Brasil Mineracao Ltda (GOAB) 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.

The larger of the two conductivity anomalies is located immediately south of the main vein along which a drive was developed from the Waldimiro shaft on Sao Chico Vein No 1. As there is significant development of base metal sulphides in the drive, it is interpreted that the anomaly is associated with further base metal sulphides. In support of this interpretation, two composite rock grab samples of pyritic granite obtained from an old garimpeiro shaft on the northern edge of this area returned encouraging assay results of 36.03 g/t and 1.61 g/t gold. Also previous rock sampling from the Sao Chico Vein No. 1 drive returned an average assay result of 15.0 g/t gold (based on some 100 samples).

A recent trench in the anomalous area intersected old garimpeiro workings and a 4.45m zone of stockwork veining. Three channel samples from within this zone returned assays of 1.02 g/t gold, 2.89 g/t gold and 11.34 g/t gold. Given that it is known that there is a nuggetty gold sampling issue at Sao Chico, these results are considered to be significant.

In consideration of the nugget gold situation at Sao Chico, samples found to be in excess of 1.0 g/t gold are being targeted as potential feed material for the plant as it is interpreted that mined bulk grades will in fact approach the targeted recovered grade of 20 g/t gold.

A large conductive anomaly was located some 100 metres to the east of the main zone (where veins are known). Discrete conductive anomalies were also detected on the two traverse lines 1.0 and 1.5 km to the east, providing targets for the 2011 exploration programme. Follow-up induced polarisation geophysical traversing has been undertaken and is currently being interpreted. The results will be used to select targets for further trenching and drilling testing.



Installation of processing plant

Site preparation is underway for installation of the processing plant and commissioning is anticipated in early 2011. The plant has a design capacity of over 100,000 tonnes per annum, which provides opportunity to ramp up production with exploration success.

Open pit mining is targeting 50 tonnes of ore per day before progressing towards the planned production rate of 100 tonnes per day (30,000 tpa). At the targeted grade of 20g/t, it is anticipated that production of 20,000 recovered ounces per annum will be achieved. The potential quantity and grade is conceptual in nature, 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. Production is expected to commence in the first quarter of 2011, following a short period of plant commissioning.

Feasibility study

GOAB has commenced a feasibility study on the economics of underground mining of the gold vein shear systems at Sao Chico on behalf of the owner, Waldimiro Martins. The results of the 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 will be applied for.

Trenching work undertaken to date has exposed significantly more veins than the original five identified in the main prospect area and it is expected that further veins will be located by the ongoing trenching program and the recently completed surveying.

Trench sampling results

During the quarter, encouraging results from trench sampling were reported.

By mid-December, 21 trenches had been completed and a total of 518 samples collected and assayed. Of the 518 samples, a total of 22 were reported to contain over 1.0 g/t gold, as listed in Table

1 below. Many trenches intersected old garimpeiro workings where originally high grade shear zone material was completely mined out. These zones are not represented in the trench assay results. They do, however, outline high priority targets for drill testing below the trenches where the garimpeiro workings have not reached.

The results show that erratic gold values have been obtained from the 9.0 to 11.0 metre interval in Trench 1, with values of 2.37, 4.32, 15.92 and 112.11 g/t gold being obtained. This highlights the presence of a coarse or “nuggety” gold problem. This is encountered in gold projects worldwide, particularly in Proterozoic shear hosted vein gold deposits and arises from a combination of uneven distribution of gold and uneven distribution of gold grain size.

In these situations, experience has shown that reliable gold grades can only be obtained if assaying is undertaken on samples in excess of at least 100 kilograms. Accordingly a bulk sample (M-12) of 400 kilograms was collected from the zone in Trench 1 and 80 samples were prepared from 80 individual 5-kilogram sub-samples. From this, an average grade of 15.6 g/t gold was obtained for the bulk sample.

This is encouraging as the grade is approaching the targeted grade of 20 g/t gold. (This potential grade is conceptual in nature, 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).

Trench Sampling Results

In addition to the bulk sample collected from Trench 1 (M-12), another bulk sample (M-11) was collected from Trench 21. The grade of M-11 based on 80 sub samples has been estimated at 3.7 g/t gold. The M-11 and M-12 samples were dispatched for metallurgical test work to fine tune the gravity plant set up. Results will be used for metallurgical flowsheet refinement and optimisation.

Trench No	Interval (m)	Original Gold Assay (g/t)	Gold Re-Assay (g/t)
1	9.0-11.0	4.32	9.0
1	9.0-11.0	2.37	
1	9.3-9.4	15.92	
1	9.0-10.0	112.11	
2	0.5-0.6	109.7	
4	29-30	1.90	
5	2.0-4.0	1.06	
5	2.0-2.6	9.12	
5	2.0-3.0	3.43	
6	22.0-24.0	1.01	
8	35.3-35.6	1.56	
8	107.7-108.1	2.57	
10	21.6-21.7	3.34	
11	2.6-2.7	1.62	
13	27.5-29.0	4.13	
13	45.5-45.55	2.48	
14	6.1-6.4	1.67	
17	1.2-1.4	1.42	
19	22.0-24.0	3.55	
21	14.0-14.2	11.34	
21	15.45-15.55	2.89	
21	16-18	1.02	

The trenching work within the GUIA licence area has identified additional veins (east-west striking) to those previously known and further veins are being identified as the trenching program proceeds. In addition, new veins have been identified further to the south. While the vein occurrences have yet to be plotted and interpreted, there are many more than the five originally mapped.

The veins vary in thickness from less than one centimetre to three metres. It is estimated that the aggregate thickness of all veins currently known over the one kilometre strike length would total around five metres.

Engagement of key geological consultants and personnel

Exploration Alliance Ltd (EAL) has been engaged to coordinate and direct the technical work towards the demonstration of defined mineral resources at Sao Chico. EAL is well experienced in the region, has been involved with world class deposits, and is the author of the recent NI 43-101 technical report on Sao Chico commissioned by Kenai.

A core early objective will be to demonstrate over approximately the next year an initial defined sulphide mineral resource for Sao Chico in NI 43-101 compliant terms. Based on Gold Anomaly's prior work and interpretation, the initial target is 250,000 oz of gold averaging 15 g/t grade.

D.E.N.M. Ltd (DENM) has been engaged as Project Manager for the early commencement of gold production in 2011. DENM has extensive experience with the establishment of small scale gold projects in South America, Central America and Mexico and has over the past two years been involved with the Sao Chico project.

Ownership

As announced in September, Kenai Resources Ltd (TSX-V Code: KAI) has signed an option agreement with Gold Anomaly to acquire an initial 50% in the Sao Chico project following an advance to Gold Anomaly of \$1 million and committing to provide \$2 million project funding. These funds will be in the form of an interest-free loan from Kenai to Gold Anomaly until the option is exercised. Gold Anomaly retains full ownership of the project until the option is exercised. Kenai are currently seeking TSX-V approval before proceeding with the agreement, and have further options to progress in stages to 75% and 100%.

A key benefit of the partnership with Kenai is that it enables Gold Anomaly to focus on development of Crater Mountain, while maintaining exposure to the near-term cashflows from Sao Chico. Given that Kenai is focused on the long-term potential of Sao Chico, the near-term result will be that Gold Anomaly has greater cash for advancing its PNG assets.

FERGUSSON ISLAND GOLD PROJECT, PNG (GOA 67%)

295,000 ounce gold resource defined at Fergusson Island Gameta deposit in PNG

The first JORC standard study of Gold Anomaly's Gameta gold resource at Papua New Guinea's Fergusson Island has been completed. The study, by consulting geologists Hellman & Schofield Pty. Ltd., estimates 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 gold.

A summary of the resource estimate is provided in Table 1 below.

Table 1: Estimated Gameta resources			
Cut off Au g/t	Tonnes (Million)	Grade Au g/t	Ounces (Thousand)
0.2	24	0.8	617
0.3	19	0.9	550
0.4	16	1.0	514
0.5	13	1.1	460
0.6	10	1.3	418
0.7	8.6	1.4	387
0.8	7.2	1.5	347
0.9	6.0	1.7	328
1.0	5.1	1.8	295

Summary of current estimates

Hellman & Schofield estimated recoverable resources for Gameta using Multiple Indicator Kriging (MIK) incorporating a variance adjustment to reflect open pit mining selectivity. The estimates extend over a strike length of approximately 1.4 kilometres and extend to approximately 180 metres below the surface.

A bulk density of 2.5 t/bcm was applied to the current estimates on the basis of 95 immersion density measurements performed on samples of diamond core.

The estimates are based on two metre down-hole composited gold grades from reverse reticulation (RC) and diamond drilling completed by Gold Anomaly. Although there is insufficient data for the results to be conclusive, initial comparisons between the gold grades from older RC drilling and newer diamond data suggest that the RC results may be biased high by around 20%, and for the current study, the gold grades from RC holes were modified accordingly. The validity of this factoring is uncertain, and additional sampling is required to investigate the reliability of RC results.

Recommendations for future drilling and sampling

Hellman & Schofield have recommended that future drilling samples the mineralisation on a regular grid, and includes routine protocols to demonstrate the quality of sampling and assaying.

Recommendations include:

- Sampling to include a campaign of closely monitored, high quality diamond holes drilled as twins to a representative sample of reverse circulation holes.
- Establishment of a single comprehensive database of all sampling data, including data for older holes.
- Repeat assaying at a second laboratory of remnant pulp material from 2007/2008 diamond drilling (if available).
- Additional density measurements.
- A topographic survey over the resource area and adjacent zones, including surveys of any identifiable drill hole collars.

The company is assessing these recommendations as part of its objective to complete a bankable feasibility study on the project.

Ownership

Gold Anomaly currently owns 67% of the Papua New Guinea (PNG) Fergusson Island Gold Project, and has entered into an agreement with its joint venture partner, Yamana Gold Inc. (TSE:YRI), to acquire the remaining 33% upon PNG regulatory bodies granting renewal of the tenements and an extension to the April 2012 deadline for the completion of a bankable feasibility study. As part of the agreement, Yamana will be granted up to 18,762,545 ordinary shares in Gold Anomaly (approximately 2%) in exchange for its 33% interest in the project. The Fergusson Island gold project is made up of two gold deposits, Gameta and Wapolu.

CROYDON POLYMETALLIC PROJECT (GOA 100%)

CROYDON PROJECT – QUEENSLAND, AUSTRALIA

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

No work was undertaken on this project during the period.

CORPORATE

Capital Raising

1. SpringTree Loan Facility

During the quarter, the company drew down \$950,000 under its loan facility with SpringTree Special Opportunites Fund, LP.

2. Private Placements

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.

3. Convertible Notes

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.

Shareholder Meeting Results

At the company's general meetings held on 8 October and 23 December 2010, and the Company's annual general meeting held on 23 November 2010, all resolutions put to shareholders were passed.

CORPORATE DIRECTORY

Board of Directors

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

Company Secretary

John Lemon

Issued Share Capital (as at 28 January 2011)

Gold Anomaly Limited had 1,099,756,864 million ordinary shares and 136,185,878 options on issue.

Quarterly Share Price Activity

	High	Low	Last
Sep 2007	11.0	7.1	8.0
Dec 2007	9.8	5.4	6.7
Mar 2008	6.7	3.5	3.5
June 2008	4.4	2.8	3.1
Sep 2008	3.6	1.3	2.3
Dec 2008	2.3	0.6	0.8
March 2009	1.5	0.5	0.7
June 2009	1.4	0.6	1.1
Sept 2009	7.7	1.2	5.4
Dec 2009	5.8	3.1	3.8
March 2010	3.9	2.9	3.4
June 2010	3.5	1.9	2.3
Sept 2010	3.0	1.9	2.3
Dec 2010	4.1	3.3	3.6

MARKET CAPITALISATION: **40.40M**
(As at 28 January 2011)

Registered Office

Gold Anomaly Limited
Level 4
15-17 Young Street
Sydney NSW 2000
Australia
Phone (02) 9241 4224
Fax (02) 9252 2335
Mobile 0418 758 301
0414 906 611

www.goldanomaly.com.au

Postal Address

Level 4
15-17 Young Street
Sydney
NSW 2000

Share Registry

Link Market Services
Level 15
ANZ Building
324 Queen Street
Brisbane Qld 4000
Phone (02) 8280 7454
Fax (07) 3228 4999
www.linkmarketservices.com.au

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

COMPETENT PERSON STATEMENTS

The information contained in this report relating to exploration results at Gold Anomaly's Sao Chico project and Resources Statement for the Company's Fergusson Island project is based on information compiled by Mr Ken Chapple, Executive Director of Gold Anomaly Limited. Mr Chapple is a Member of the Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chapple consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information contained in this report relating to exploration results at Gold Anomaly's Crater Mountain project is based on information compiled by Mr Robert McLean, Director of Gold Anomaly Limited. Mr McLean is a Member of the Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McLean consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.