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### **WARNING/IMPORTANT**

***The contents of this document and the terms of the Rights Issue have not been reviewed by any regulatory authority in Australia, New Zealand, Hong Kong or Papua New Guinea. You are advised to exercise caution in relation to the Rights Issue. If you are in any doubt about any of the contents of this document and other Rights Issue documents you should seek independent professional advice.***

12 October 2012

Market Announcements Platform  
Australian Stock Exchange

#### **Underwritten Non-Renounceable Rights Issue**

Gold Anomaly Limited ("**GOA**" or "**the Company**") will undertake a non-renounceable pro rata rights issue of two (2) shares for every three (3) shares held at A\$0.0025 (0.25 cents) per share to raise up to \$3,745,558 before costs ("**Rights Issue**"). Funds raised will be used for reducing debt and for working capital in particular to progress the Crater Mountain and Croydon Projects.

As detailed further below, to the extent that there is any shortfall, all eligible shareholders may also apply for shares in addition to their pro rata entitlements under the Rights Issue.

GOA has secured either commitments to subscribe under the Rights Issue, or an underwriting commitment, in respect of the full amount to be offered under the Rights Issue as follows:

- The Company's major shareholder, FreeFire Technology Ltd (**FreeFire**), which presently holds 12.46% of GOA's issued share capital, has agreed to take up its full pro rata entitlement under the Rights Issue.
- The Company has received commitments from a group of PNG domiciled shareholders to take up their aggregate full pro rata entitlements under the Rights Issue and also to subscribe for any shortfall up to an aggregate of \$500,000.
- FreeFire has also agreed to underwrite up to \$2,778,892 of any shortfall (after the above commitments) at the issue price of \$0.0025 (0.25 cents).

FreeFire's underwriting commitment is subject to the terms and conditions of an Underwriting Deed dated 11 October 2012. The terms of that Underwriting Deed are typical for such agreements including typical conditions precedent and termination events.

FreeFire is entitled to receive in cash fees under the Underwriting Deed which total 10% of the amount underwritten by it. Further, the Underwriting Deed provides that up to \$1.3 million of the amount that would have been payable by FreeFire to the Company for the issue of New Shares is

automatically set-off against the \$1.3 million loan owed by the Company to FreeFire, as detailed in the Company's announcement dated 30 September 2012.

The Company has for some time been seeking additional funding to enable it to proceed with its projects and recently announced the funding arrangements with LionGold Corp which subsequently terminated. The Company's funding situation had developed to the point where it needed to secure new funding on a prompt basis to avoid further expensive short term solutions.

In seeking that funding, the Company sought numerous proposals other than that agreed with FreeFire and approached numerous professional underwriters. Each of those alternative proposals either failed to secure what the Company considered to be the full funding necessary, or was not on acceptable terms.

In evaluating FreeFire's proposed funding package, the Company had regard to the terms of the alternative proposals, the timing of the required funding and the potential impact on control of the Company. The Company considered that the potential impact on control was appropriately minimised as eligible shareholders would be offered the right to subscribe for excess entitlements out of any shortfall before the underwriting is called upon and the Company had received commitments from a group of PNG domiciled shareholders to invest a minimum \$500,000 being their pro rata entitlement, and application for any rights shortfall. The Company therefore considered that, overall, FreeFire's funding package was the best option for the Company.

Due to FreeFire's willingness to underwrite any shortfall without sub-underwriters (which the Company considered would have substantially delayed the process) and eligible shareholders' right to subscribe for any shortfall before the underwriting is called upon, it was decided that there would be no sub-underwriting of the Rights Issue.

It is anticipated that the funds to be raised under the Rights Offer, together with the funds raised by the Company under the earlier placement of 280,000,000 shares to FreeFire, will address the Company's immediate short term funding needs. As the Company's activities are exploration with no operational source of funds, the Company will require additional funding in the short to medium term in order to ensure that the Company is able to continue its exploration activities at the Crater Mountain and Croydon projects. No decision has yet been made by the Company about seeking further equity or debt funding that will be required.

Shareholders eligible to participate in the Rights Issue will be those shareholders with a registered address in Australia, New Zealand, Papua New Guinea or Hong Kong as at 7.00 pm EDST on the record date of 22 October 2012. The Company has determined that it would be unreasonable to extend the offer to participate in the Rights Issue to shareholders in other jurisdictions having regard to the number of holders in those jurisdictions, the number and value of shares those holders would be offered under the Rights Issue, and the costs of complying with the legal requirements and requirements of regulatory authorities in those jurisdictions.

Shareholders in Papua New Guinea will be able to deposit the Australian dollar equivalent in Kina for shares under the Rights Issue in an account in Papua New Guinea.

As noted above, eligible shareholders may apply for shares in addition to their pro rata entitlements under the Rights Issue to the extent that there is any shortfall. Any such additional shares will be allocated at the discretion of the Company, provided that if any shareholder who takes up shares in addition to their pro rata entitlement would as a result hold greater than 19.9% of the Shares in the Company following completion of the Rights Issue then the number of additional shares they would be issued will be scaled back so that they do not hold greater than 19.9%. Additionally, the Company intends to scale back applications on a pro rata basis in the event of excess demand for such additional shares.

It is noted that FreeFire may participate in any such offer of shortfall shares, and to the extent it participates it will reduce the amount of its underwriting commitment. FreeFire has not yet determined if, or the extent to which, it may apply to participate in any such offer of shortfall shares before its underwriting commitment is called upon.

The Rights Issue will be conducted pursuant to section 708AA of the *Corporations Act 2001 (Cth)* ("**the Act**"). Consequently the Rights Issue will be made without disclosure to shareholders and investors pursuant to Part 6D.21 of the Act, ie. without a prospectus.

The timetable for the Rights Issue is as follows:

Notice to Shareholders containing information in Appendix 3B	Monday 15 October
<b>Shares trade "Ex" the entitlements issue on the ASX</b>	Tuesday 16 October
Record Date to identify Eligible Shareholders and to determine Entitlements under the offer	Monday 22 October
1. Despatch of Offer and Entitlement and Acceptance Form ("Opening Date") 2. Advise ASX that despatch completed	Friday 26 October
<b>Closing Date</b>	Friday 9 November
Securities quoted on a deferred settlement basis	Monday 12 November
ASX notified of under-subscriptions	Wednesday 14 November
Despatch Share Holding Statements	Friday 16 November
Expected commencement of trading of new shares on ASX	Monday 19 November

The timetable is indicative only and subject to change. Subject to the Act and the ASX Listing Rules, GOA, in conjunction with the underwriter, reserves the right to vary the dates in connection with the Rights Issue, including the closing date, without prior notice. The Company, in conjunction with the underwriter, also reserves the right not to proceed with all or part of the Rights Issue at any time prior to the date of issue of the New Shares (in which event application monies will be refunded without interest).



Greg Starr  
Executive Chairman