ZAMIA
METALS LIMITED

ANNUAL REPORT

2013

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Corporate Directory

The shares of Zamia Metals Limited ("the Company") are quoted on the official list of the Australian Securities Exchange.

The ASX code for the Company's ordinary fully paid shares is "ZGM".

Directors

Mr Alan John Humphris	Non-executive Chairman
Dr Kenneth John Maiden	Non-executive Director
Mr Qiang Chen	Non-executive Director
Mr Andrew Skinner	Non-executive Director

Chief Executive Officer

Jordan G Li

Company Secretary

John Stone

Chief Financial Officer

Barry F Neal

Registered Office and Principal Place of Business

Suite 60, Level 6 Tower Building
Chatswood Village
47-53 Neridah Street
Chatswood NSW 2067
Australia

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Share Registry

Boardroom Pty Limited
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Sydney NSW 2000

Telephone:	+ 61 2 9290 9600
Fax	+ 61 2 9279 0664

Home Exchange

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Bankers

Bankwest
17 Castlereagh Street
Sydney NSW 2000

Auditors

Hall Chadwick
St Martins Tower
Level 29, 31 Market Street
Sydney NSW 2000

Solicitors

Gadens Lawyers
77 Castlereagh Street
Sydney NSW 2000

Chairman's Letter

Dear Shareholder

On behalf of the Board of Directors, I am pleased to present the Annual Report of Zamia Metals Limited for the year ended 30 June 2013.

The Company's tenements in central Queensland are prospective for epithermal gold and porphyry-type deposits and during the year were the subject of further exploration activity carried out by Zamia and Gold Fields.

On the commencement of the Option and Joint Venture Agreement (OJV Agreement) between Gold Fields and the Company, Gold Fields held rights to investigate nine of the Company's tenements and at FY13 year-end they retained rights to explore on four tenements, having relinquished rights on five. Gold Fields has advised the Company that they intend carrying out a drilling program on targets in three tenements during this first half-year.

During the year under review we maintained only a low level of on-site activity at our Anthony molybdenum project. However, we have been developing a comprehensive geological model of the mineralised system at Anthony. This will not only guide detailed exploration in the vicinity of the deposit but will also assist in evaluating the regional potential for intrusion-related gold and porphyry style copper-gold deposits.

Extensive geochemical soil sampling also continued on the Company's tenements that were not part of the OJV Agreement and we now plan to carry out IP survey work in the first half of FY14 to generate further targets adjacent to the Anthony molybdenum deposit and also regionally. Our geologists are very positive about this proposed program.

During the year under review the Company raised $1.95 million (net of capital raising costs) through placements and other issues of shares at issue prices at or above prevailing traded share prices. The Company needs to raise equity from time to time to meet working capital requirements, including the funding of the current, relatively low cost, exploration program and we are fortunate in the prevailing market environment to have supportive shareholders, including in particular our largest shareholder Brownstone International Pty Ltd. In June this year the Company initiated a Share Purchase Plan to present shareholders with an opportunity to subscribe for new shares at a discount to capital raisings being made at that time

I wish to thank our staff and consultants for their dedicated work throughout the year. We are all striving hard to achieve successful exploration outcomes for the Company in the current year.

Yours sincerely,

Alan Humphris
Non-executive Chairman

Review of Operations

Introduction

Zamia Metals Limited ('Zamia' or 'the Company') is focused on exploration for copper (Cu), gold (Au), molybdenum (Mo) and other metals in the Clermont District of central Queensland. Zamia recognised in this established epithermal gold province the additional potential for bulk tonnage porphyry-type deposits and currently, through its wholly owned subsidiary, Zamia Resources Pty Ltd, holds a highly prospective package of tenements.

These tenements cover the contact zone between "basement" metamorphic rocks of the Anakie Inlier and the younger Paleozoic strata of the Drummond Basin, as well as high level intrusive igneous complexes that host porphyry-style mineralisation at Anthony and Mount McLaren.

The Anthony molybdenum deposit is the first significant porphyry deposit discovered in the region. Zamia has drilled over 28,000 metres ('m') at Anthony and has defined a resource that complies with the JORC (2004) Code) and ASX Listing Rules (Table 1). In conjunction with further target generation surrounding Anthony, regional exploration is continuing to delineate further targets for assessment. Zamia currently holds 13 Exploration Permits for Minerals (EPMs) and a further two applications which have been offered for grant. These tenements cover a total of 1,500 square kilometres ('km²').

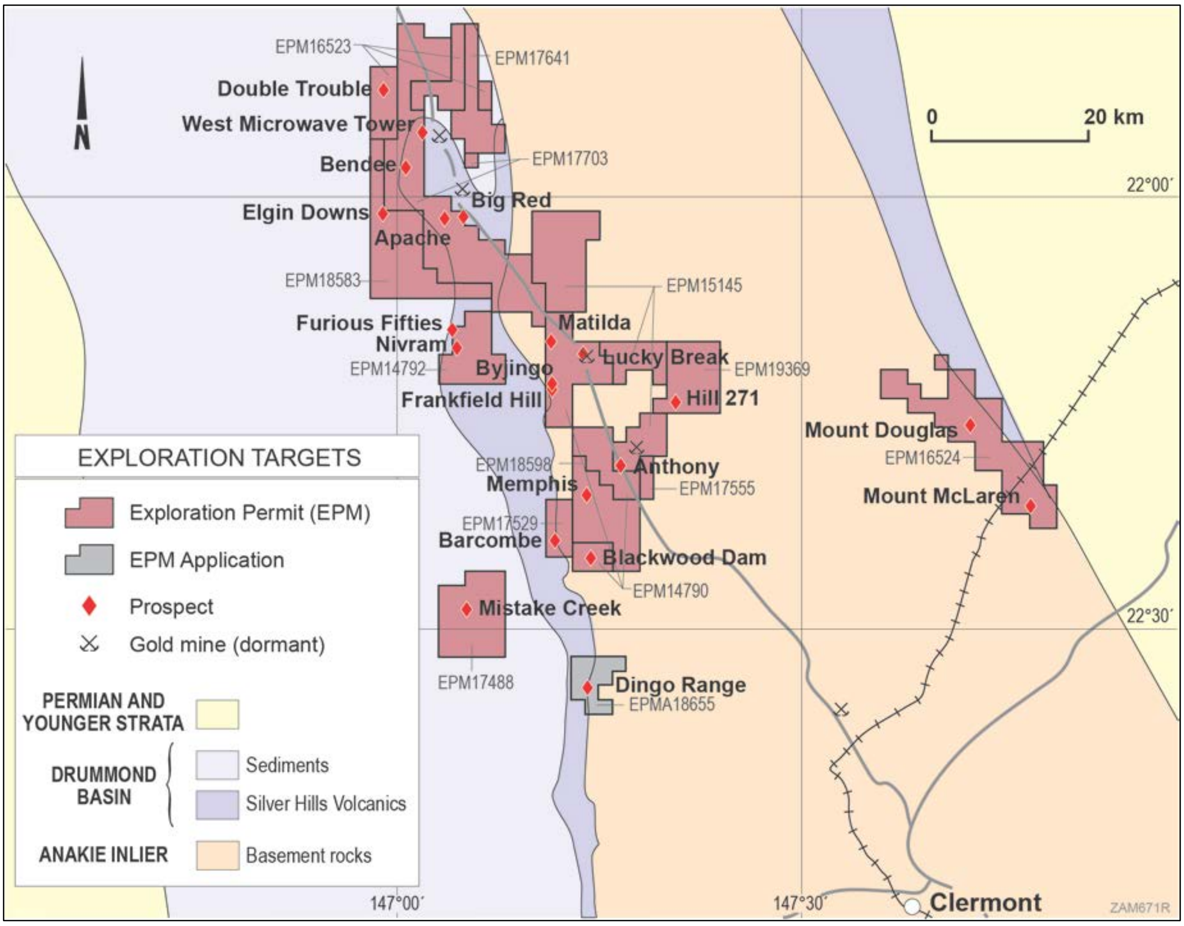

Figure 1. Zamia's tenements and targets in the Clermont district (June 2013).

Anthony Molybdenum Project

The current resource estimate for the Anthony molybdenum deposit stands at the published resource announced in March 2012.

Cut-off grade	Sulphide Resource			Transition and Oxide Resource			Total Resource		
Mo (ppm)	Tonnes (million)	Mo (ppm)	Contained Mo (million lb)	Tonnes (million)	Mo (ppm)	Contained Mo (million lb)	Tonnes (million)	Mo (ppm)	Contained Mo (million lb)
600	20	800	36	4	685	7	25	780	42
400	91	560	112	23	520	26	114	550	137
200	250	390	215	65	376	54	318	390	269

Table 1. Anthony resource summary (Hellman & Schofield March 2012 classified as "Inferred" (JORC 2004).

(Note: Tonnes and grades have been rounded and rounding errors may occur. Results above cut-off grades higher than 500 ppm Mo are subject to some uncertainty).

During the 2012-13 year, Zamia completed the logging of all core from the Anthony drilling. A database containing the details for every hole drilled, has been compiled. Geological sections have been constructed from the drilling data allowing for correlation of lithological units across the deposit. A comprehensive geological model of the Anthony porphyry system is currently being developed. This model will not only guide further exploration in the vicinity of the molybdenum deposit but will also assist in evaluating the regional potential for intrusion-related gold and porphyry-style copper-gold deposits.

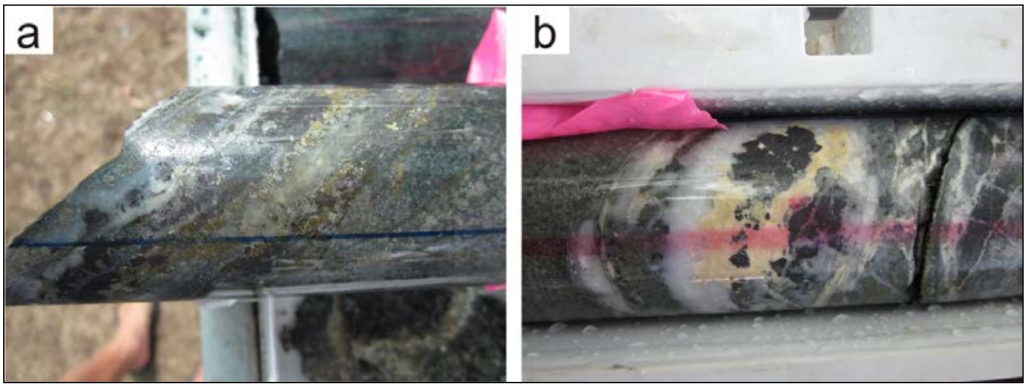

Photo: Poly-phase quartz-carbonate-base metal veins in NQ diamond core from hole DDS11A066.

Possible Extensions to the Anthony Deposit

The Anthony deposit and the nearby Belyando gold deposit (which is excluded from Zamia's tenements) are associated with a series of intrusive igneous rocks, termed the Dead Horse intrusive complex.

A small reconnaissance induced polarisation ('IP') survey was conducted in November 2011 to test the effectiveness of IP as a tool in the search for sulphide mineralisation and possible base metal and gold deposits around the molybdenum core. Valuable structural data were gained and a new untested area of interest was identified to the northeast of the known molybdenum deposit.

Zamia is now in a position to proceed with a regional scale IP survey surrounding the Anthony deposit. The design parameters have been finalised and the survey is to commence at the end of September 2013.

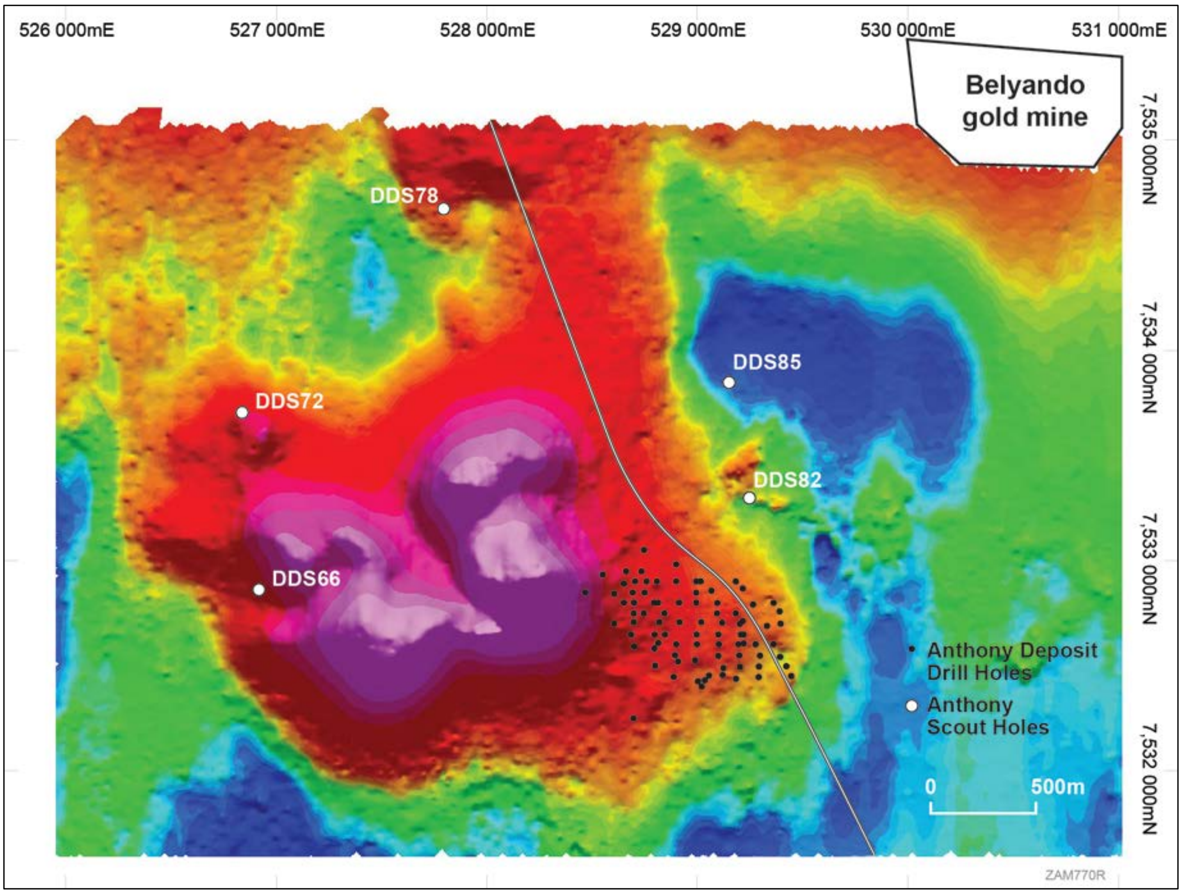

Figure 2. Location of Anthony Project scout holes shown on ground-magnetic data.

Photo: Technical consultants studying Anthony core and drill logs.

Regional Exploration for Gold and Copper

Gold Fields Option and Joint Venture Agreement

Under the terms of the Option and Joint Venture (OJV) Agreement, Gold Fields Australasia Pty Ltd ('Gold Fields') has selected nine EPMs from Zamia's tenement portfolio and has the right to manage exploration on them for an initial period of 18 months. Following or during this period, Gold Fields can select up to three EPMs in which to earn a 51% joint venture interest. For further details of this Agreement, see Zamia's web site: www.zamia.com.au

The nine EPMs are highlighted in Figure 3. They comprise EPMs 14790 and 15145 (Mazeppa and Mazeppa Extended, excluding the Anthony Molybdenum Project area), EPM 14792 (Mount Rolfe), EPM 17488 (Mistake Creek), EPM 17529 (Barcombe), EPM 17555 (Gregory), EPM 16523 (Bullock Creek), EPM 16524 (Logan Creek) and EPM 18598 (Cairo).

Gold Fields commenced a review of exploration data, appraising the targets outlined by Zamia. Field reconnaissance was carried out and detailed exploration of selected target areas was initiated. In the second half of the year, Gold Fields prioritised the tenements, selected EPMs 14790, 17488, 16524 and 18598 on which to focus their activities and relinquished the rights to explore on five EPMs.

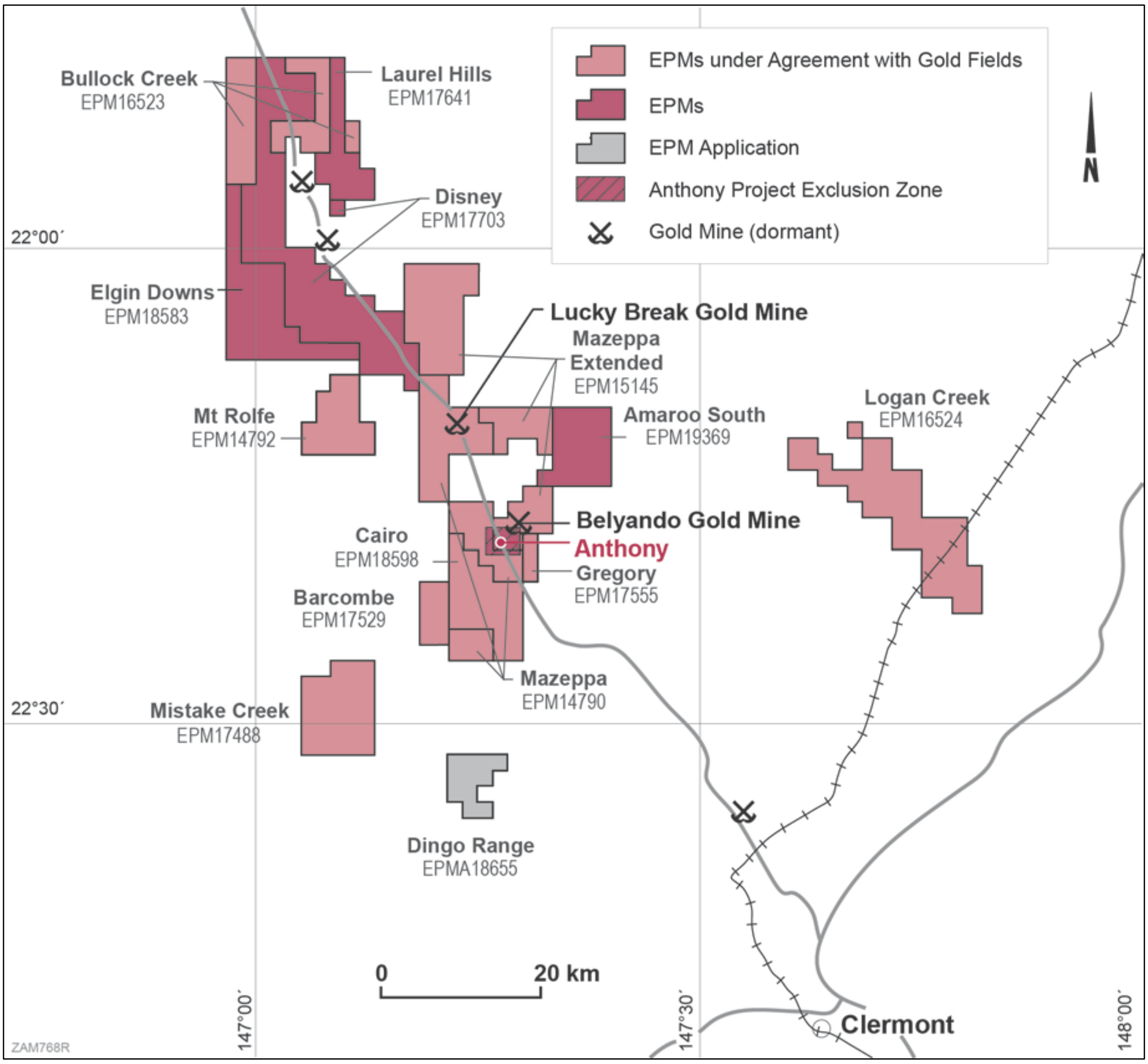

Figure 3. Tenements held under the Option and Joint Venture Agreement at the end of June 2013. Subsequently, in July 2013, Gold Fields relinquished its rights to EPM 18598 Cairo.

On 3 September 2013 Zamia entered into an amending agreement with Gold Fields whereby the OJV was varied as follows:

- Gold Fields surrenders and relinquishes rights to explore on EPM 14790 (Mazeppa) other than that portion of the tenement known as Blackwood Dam where Gold Fields retains such rights;
- Gold Fields will spend approximately $50,000 on each of Blackwood Dam and EPM 17488 (Mistake Creek) by approximately mid-October 2013;
- Any remaining expenditure required by Gold Fields to meet the Minimum Expenditure Condition (of $1 million) will be on EPM 16524 (Logan Creek) by approximately end-November 2013;
- When Gold Fields has satisfied the Minimum Expenditure Condition it will be deemed to have satisfied all expenditure obligations on all tenements that have been part of the OJV.

EPM 16523 Bullock Creek

EPM 16523 consists of three non-contiguous portions. Three aeromagnetic target areas were identified (Figure 4) and soil geochemical surveys were carried out. Target 1, a prominent twin-peaked magnetic feature, is the magnetic expression of a mafic-ultramafic intrusive complex, named Double Trouble. Mobile metal ion ('MMI') geochemical soil sampling was carried out over this feature and the surrounding area**.**

In target areas 2 and 3, Drummond Basin strata are intruded by high-level felsic igneous rocks, indicating potential for porphyry-type copper-gold deposits. The target areas were covered by a conventional soil geochemical sampling program.

Analytical results did not show significant precious metal or pathfinder element values.

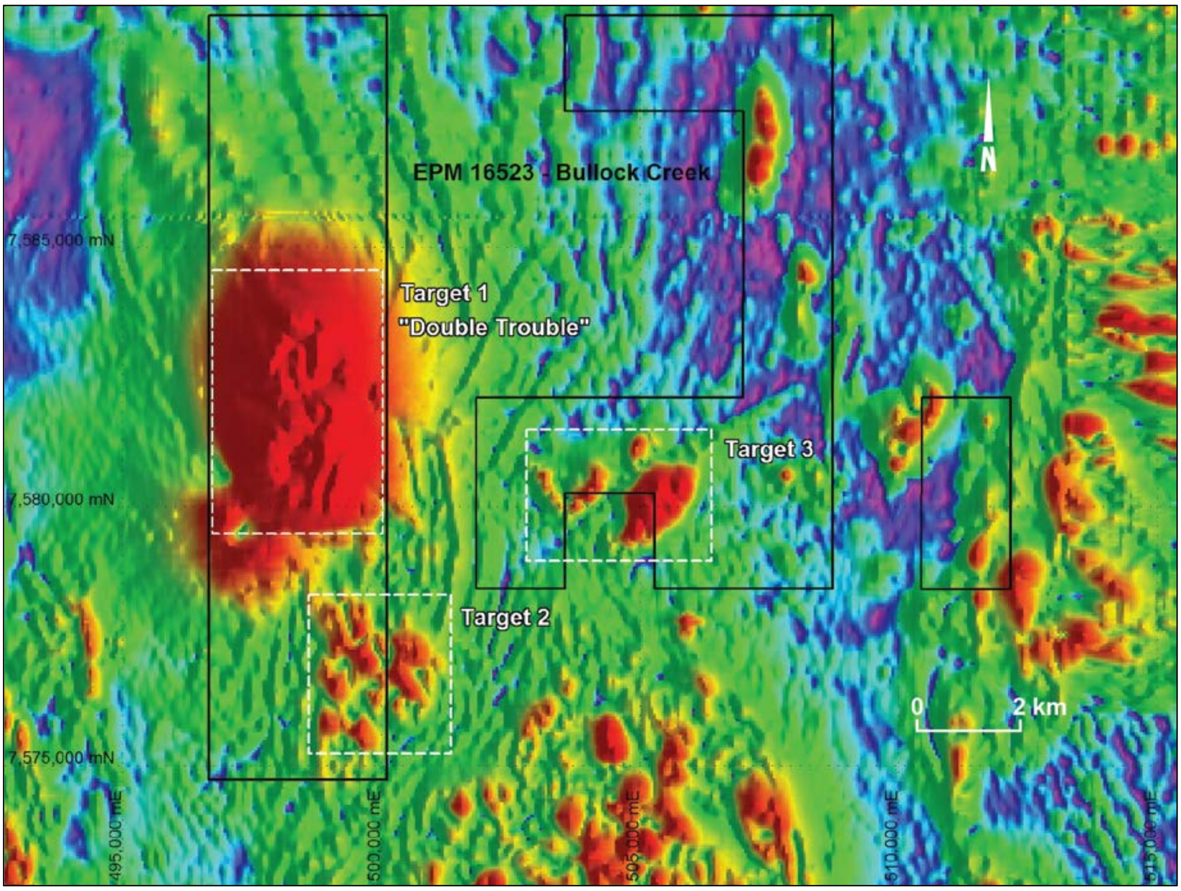

Figure 4. EPM 16523 Bullock Creek showing target areas covered by soil sampling programs.

Gold Fields reconnaissance mapping and rock chip sampling in the vicinity of targets 2 and 3 did not identify any significant features or elevated geochemical values for follow-up work and Gold Fields relinquished its rights to explore on this tenement.

EPM 16524 Logan Creek

As part of the OJV Agreement, Gold Fields selected EPM 16524 based on the known Mount McLaren prospect and Zamia's newly defined targets at Mount Douglas and Silo Hill (Figure 5). Outcrop sampling at the latter two targets showed elevated levels of arsenic and gold within veined and altered sediments of the Mt Hall Formation.

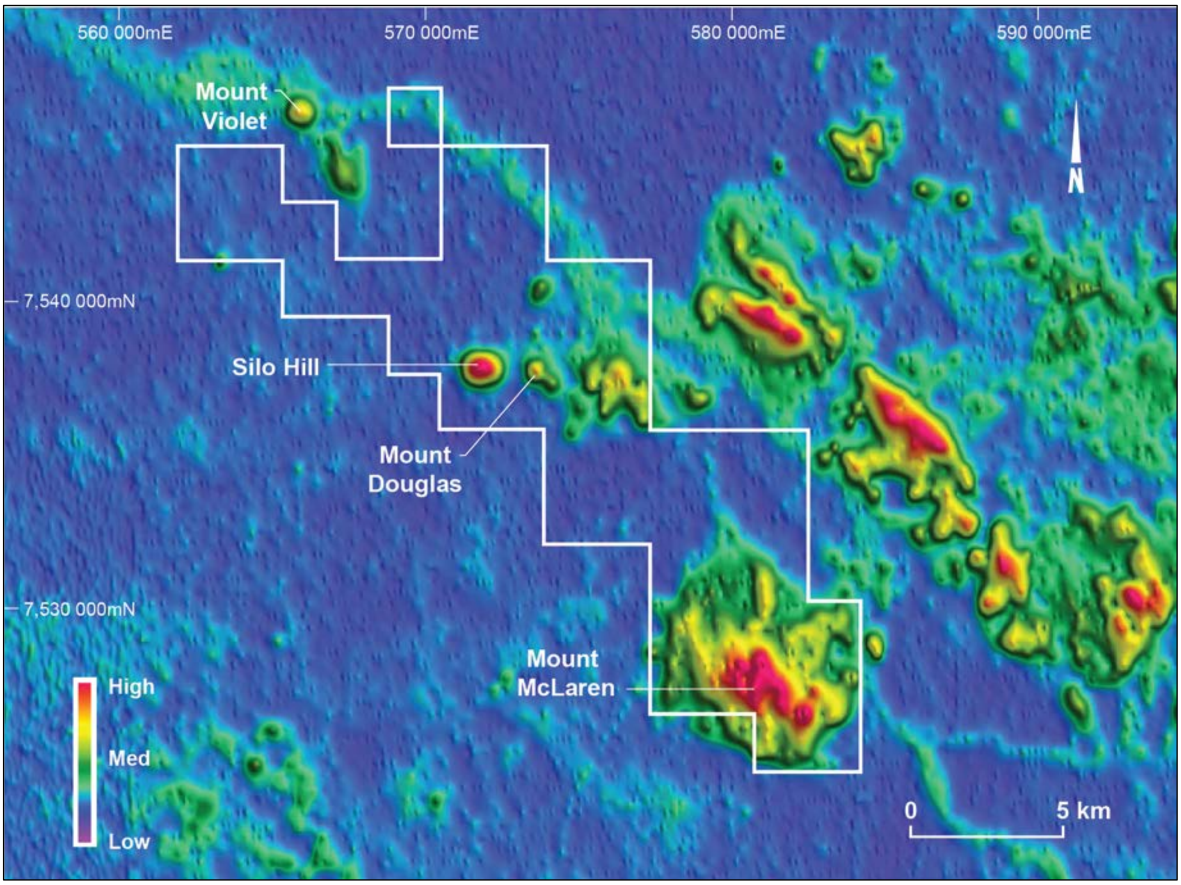

Figure 5. Potassuim channel radiometric imagery over EPM 16524.

Photo: Silica-chlorite altered granodiorite outcrop at Mt Douglas assaying 0.74 g/t Au

A conventional soil geochemical program carried out by Gold Fields over the Mount Douglas and Silo Hill target areas consisted of two separate soil grids with a sample spacing of 100m by 100m. Analytical results were encouraging having coincident elevated values in Au, Ag, Bi, Hg, Te, Se, Mo and Cu; a signature indicative of low sulphidation epithermal system.

A detailed aeromagnetic survey by Gold Fields, over the Mount Douglas and Silo Hill area with extensions to the northern tenement boundary, was flown at a 100m line spacing using a helicopter-mounted magnetometer. The data showed a large magnetic feature that could represent a buried intrusive body; this coincides with a soil geochemical anomaly, making an attractive exploration target. Gold Fields commenced a drilling program to test this area in mid-September 2013.

EPM 14790 Mazeppa and EPM 17488 Mistake Creek

As part of the OJV Agreement, Gold Fields has the right to explore EPM 14790 and EPM 14788. A detailed geological review and database compilation of the targets identified by Zamia and by past exploration was made for both EPMs and were followed up with reconnaissance sampling where access allowed.

A number of aeromagnetic anomalies, indicative of buried intrusive complexes prospective for porphyry related copper-gold and molybdenum deposits, were identified.

In EPM 14790 (Mazeppa), the Blackwood Dam aeromagnetic anomaly located on the southern tenement boundary has been identified as a target (Figure 6). The anomaly is interpreted as an intrusive complex, similar to the nearby Dead Horse and Mistake Creek complexes and is covered by Tertiary basalt and clay-rich black soil. Gold Fields has proposed to test this anomaly with a reverse circulation ('RC') drill hole through the centre of the magnetic high.

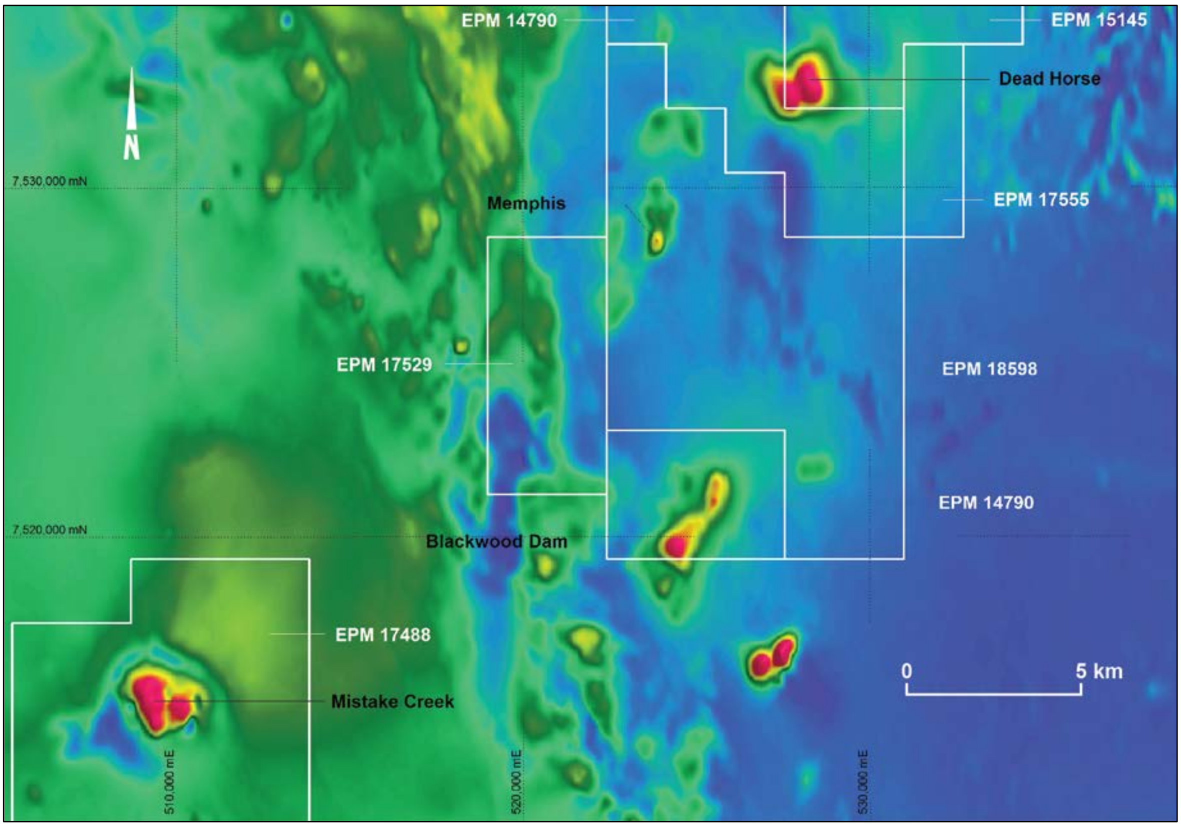

Figure 6. Aeromagnetic image identifying Blackwood Dam and Mistake Creek intrusive complexes.

The main target for EPM 17488 is the magnetic high where previous exploration drilling and IP surveys have yielded a coincident anomaly. Gold Fields initially proposed a detailed magnetic survey by helicopter, (similar to that carried out at Logan Creek) but access was denied by the landholder. Gold Fields have proposed to drill test this target using the crown land road reserve.

EPM 17703 Disney and EPM 18583 Elgin Downs

A compilation of previous company exploration activities showed several previously identified targets. In addition, magnetic imagery indicated other targets for porphyry-type copper-gold and epithermal gold-silver are associated either with the Silver Hills Volcanics, the basal unit of the Drummond Basin sequence or with intrusive bodies.

The Company carried out conventional soil sampling consisting of three survey grids (Figure 7) with a sample spacing of 200m by 200m but results showed only weakly elevated metal concentrations.

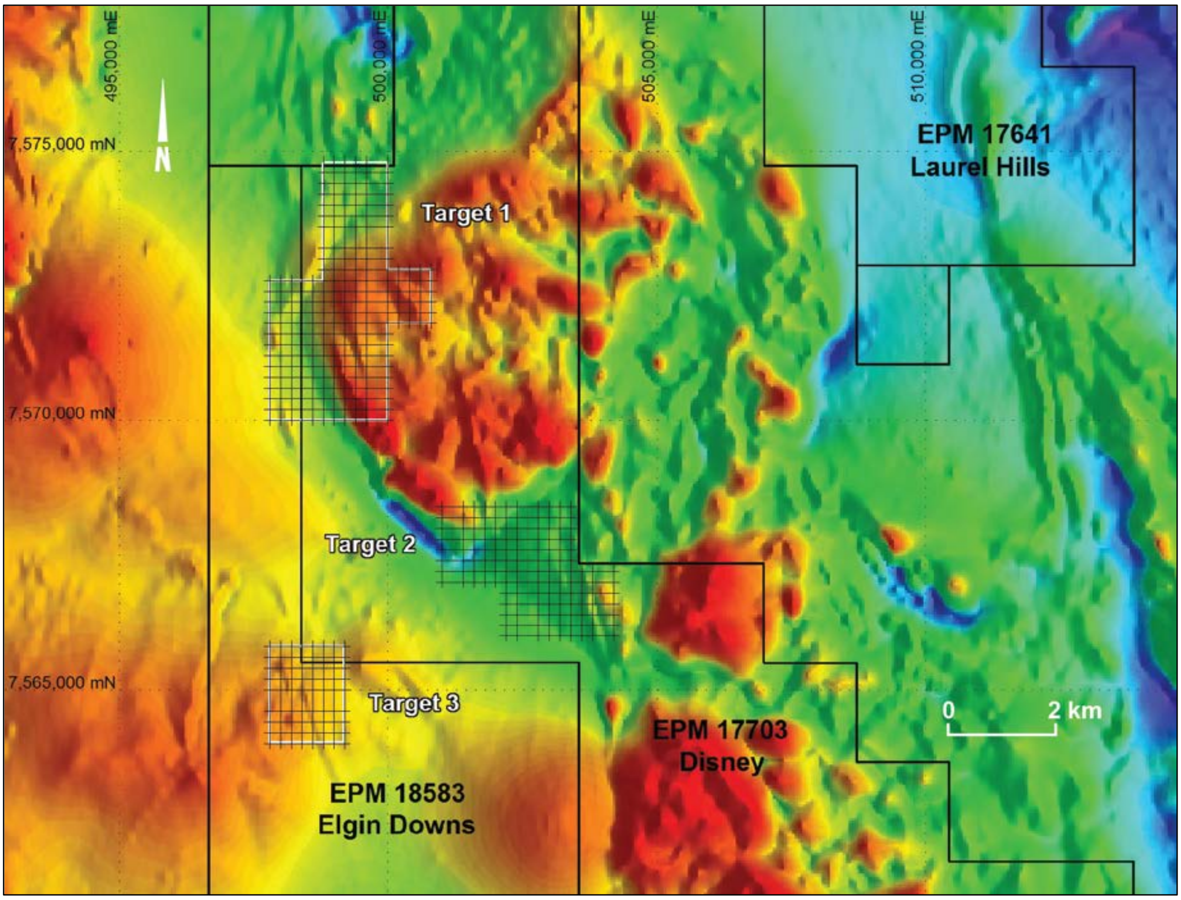

Figure 7. Soil Sampling Grids over 3 target areas within EPM 17703 and EPM 18583.

Field reconnaissance of prospects outlined by previous explorers, namely Bendee and West Microwave Tower ('WMT'), highlighted the potential for epithermal style mineralisation. The 2012 soil sampling programs were extended to cover these prospects, resulting in a further area of 25 km² being covered for EPM 17703 (Figure 8).

Analytical results available for the northern part of the grid, show subtle anomalies directly over the WMT prospect. These results, with a peak of seven parts per billion ('ppb') Au, confirm the elevated gold concentrations defined by past explorers. Results are pending for the Bendee prospect area, where jigsaw breccias (see photo) suggest an extensional deformation regime with dilation occurring along lithological contacts.

Geochemical sampling is continuing in the south of the tenement area, with a regional-scale (200m by 100m sample spacing) grid covering an area of 5 km by 10 km. This conventional B-horizon soil sampling grid covers the Apache and Big Red prospects, where elevated gold and copper assay results were obtained from previous drilling.

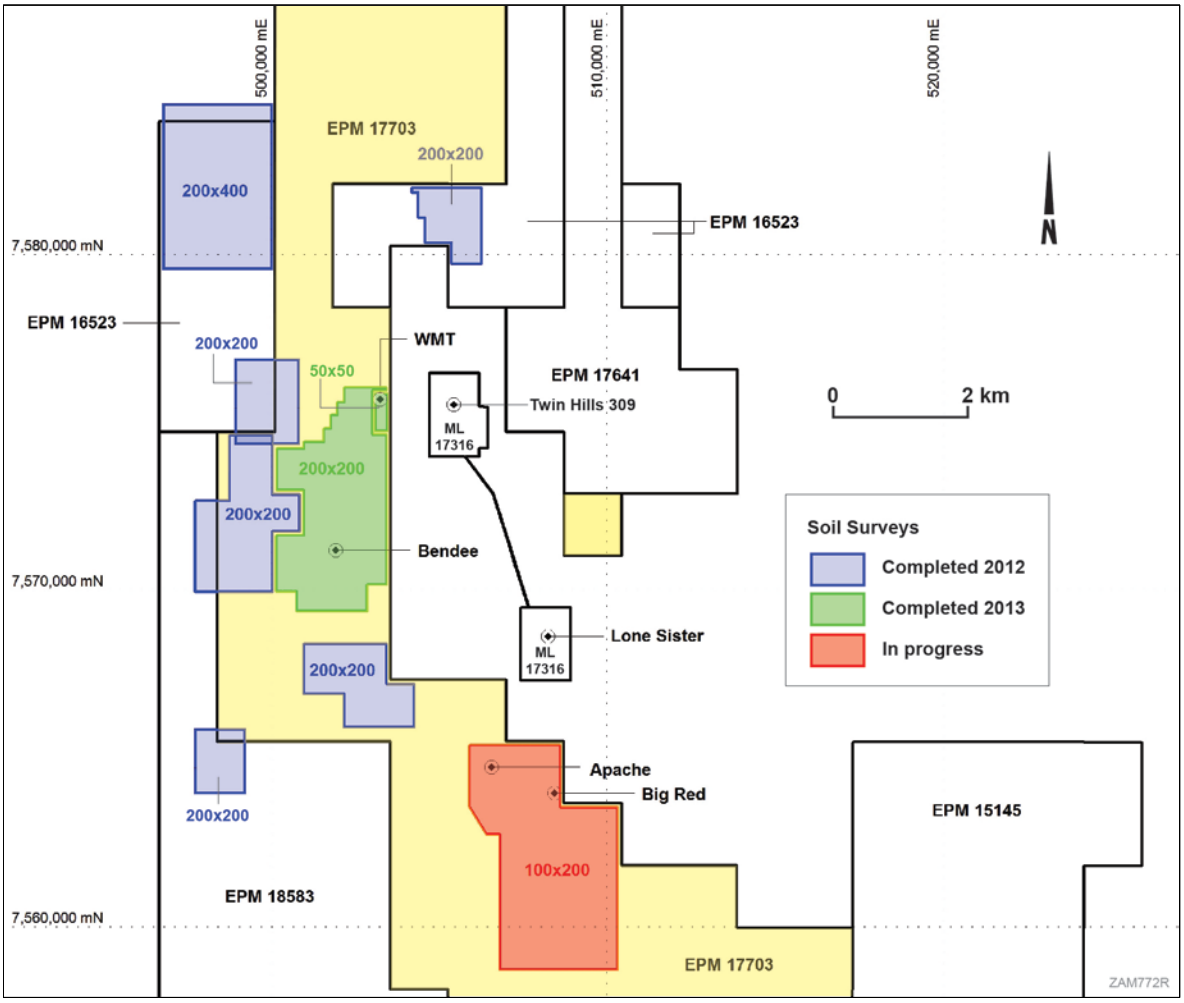

Figure 8. Soil geochemical grids in EPM 17703 and adjacent tenements.

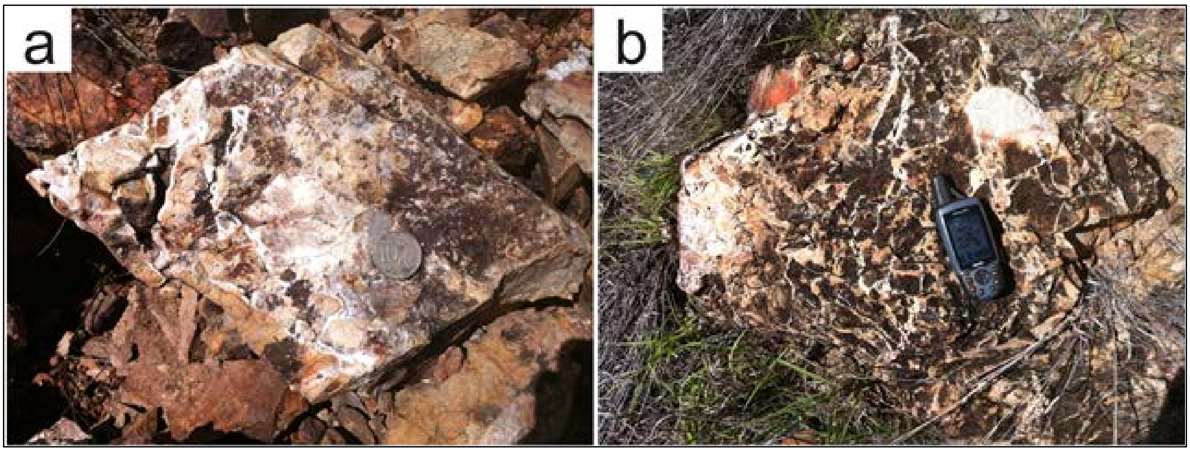

Photo: Outcrop at Bendee prospect: (a) brecciated tuff, (b) jig-saw breccia.

EPM 19369 Amaroo South

EPM 19369 (Amaroo South) was granted to Zamia in January 2012 and was selected because of a promising target area termed Hill 271. EPM 19369 lies adjacent to EPM 15145 to the east and is underlain by basement rocks of the Anakie Inlier, which are predominately covered by thick black soils. The tenement is considered to be prospective for lode gold and porphyry-style deposits.

Geological mapping and reconnaissance rock chip sampling by Zamia confirmed geochemically anomalous values of Au, As, Bi, Cu and Pb within a gossanous siltstone. Follow-up work is proposed for the second half of 2013.

EPM 18598 Cairo

EPM 18598 Cairo, which borders EPM 15145 (Anthony project area) to the west, is covered by clay-rich black soil and alluvial sediments of Miclere Creek which obscure the underlying Anakie Metamorphics and intermediate to felsic intrusive rocks which are discernible as distinct anomalies in aeromagnetic imagery.

A study of the aeromagnetic imagery identified a distinct anomaly on the western side of the EPM which was named the Memphis target, and was interpreted to indicate a buried intrusive complex. Zamia carried out MMI geochemical sampling but this failed to identify any clear geochemical anomalies over the target area.

EPM 18598 was selected by Gold Fields for assessment, however after evaluating the area; Gold Fields relinquished its rights on EPM 18598.

Exploration Program for Completion in 2013

Zamia has designed an IP survey over an area of 16 km² centred on the Anthony molybdenum deposit and including the surrounding area (Figure 9). The survey consists of 12 arrays of double offset "pole-dipole" IP with 100m electrode spacing and receiver lines 400m apart. The survey aims to identify possible metal sulphide concentrations surrounding the Anthony porphyry deposit. A pilot survey of two IP lines to the northeast of Anthony showed IP features possibly indicative of metal sulphide concentrations (as outlined in the 2012 Annual Report). This work is set to commence in at the end of September 2013.

While the IP survey crew are engaged, a small IP survey is also planned on EPM 19369 Amaroo South over the Hill 271 prospect area where anomalous copper and gold results have been recorded from gossanous outcrop by previous explorers.

Exploration for epithermal gold is planned to continue in the northern tenements, and following assessment of the results, in-fill sampling could take place over Apache and Big Red targets in EPM 17703 Disney.

In the second half of 2013, Gold Fields has embarked on a drilling program on EPM 16524 commencing in mid-September 2013. A program of ten RC holes will test the gold-in soil geochemical anomalies and coincident magnetic anomalies.

Gold Fields also plans to test the distinct magnetic high, termed Blackwood Dam in the southern portion of EPM 14790 over which no previous exploration has been carried out. One RC hole has been planned to penetrate to bedrock and record the geology, alteration and possible mineralisation related to this target.

Included in Gold Fields 2013 program is one RC drill hole to 300m planned to test the main target in EPM 14788, Mistake Creek. The hole is designed to drill below the best intercept recorded from previous shallow drilling, coinciding with IP and magnetic anomalies and intense quartz-sericite-pyrite alteration.

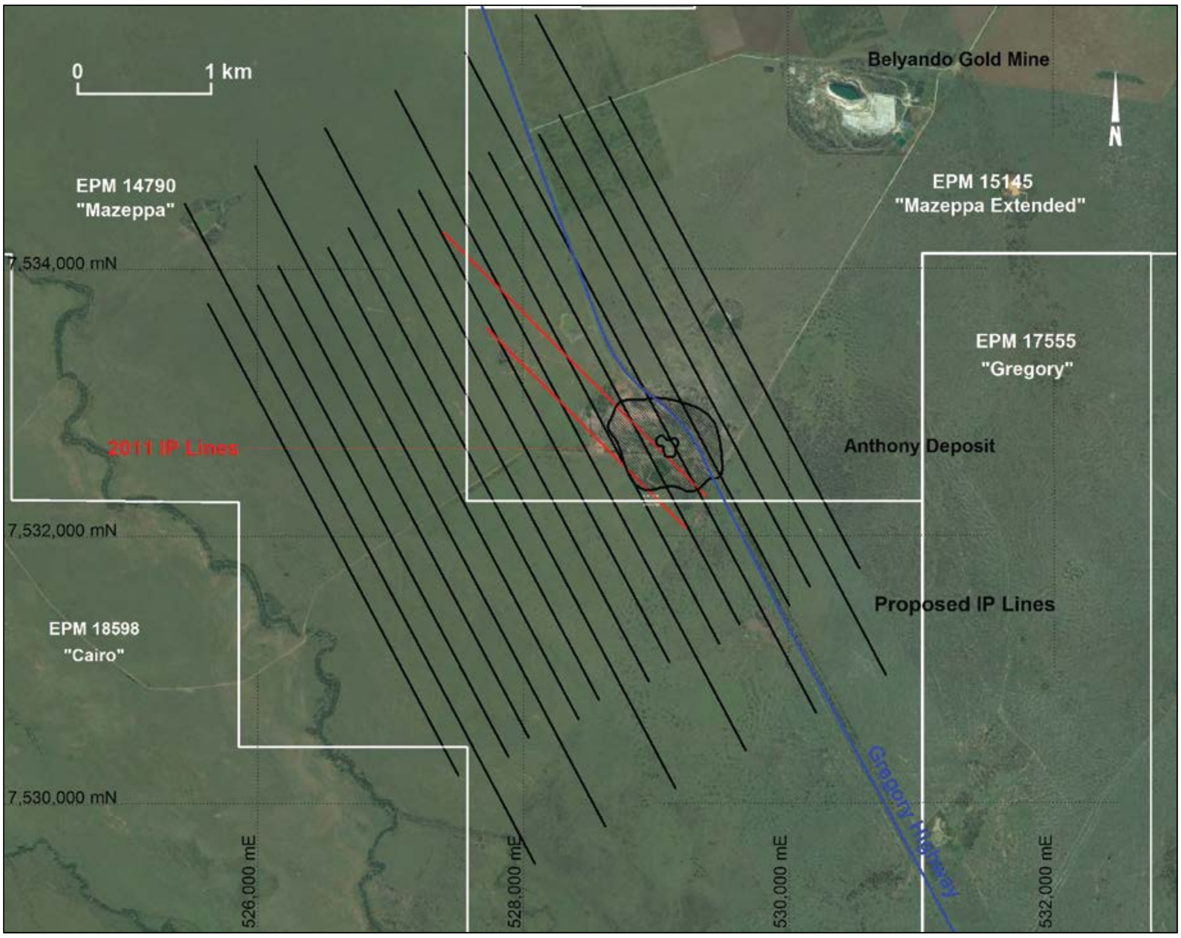

Figure 9. IP survey plan on aerial photo showing proposed lines and the 2011 pilot survey (in red).

Photo: Field mapping on Mazeppa Extended.

Tenements

ZAMIA RESOURCES PTY LTD (Controlled Entity of Zamia Metals Limited)

Tenement No	Project Name	Grant or Application Date	Expiry Date	Status @ 30.06.13	Area km² @ 30.06.13
EPM 14790*	Mazeppa	12.01.2006	11.01.2016	Year 8	133
EPM 14792	Mt. Rolfe	13.03.2006	12.03.2013	renewal lodged	109
EPM 15145	Mazeppa Extended	11.08.2006	10.08.2014	Year 7	155
EPM 17488*	Mistake Creek	05.11.2009	04.11.2014	Year 4	87
EPM 17529	Barcombe	24.02.2010	23.02.2015	Year 4	25
EPM 17555	Gregory	20.11.2008	19.11.2013	Year 5	9
EPM 16523	Bullock Creek	03.09.2010	02.09.2015	Year 3	71
EPM 16524*	Logan Creek	23.12.2010	22.12.2015	Year 3	167
EPM 17641	Laurel Hills	30.01.2012	29.01.2017	Year 2	50
EPM 17703	Disney	30.01.2012	29.01.2017	Year 2	233
EPM 18583	Elgin Downs	30.01.2012	29.01.2017	Year 2	109
EPM 18598*	Cairo	30.01.2012	29.01.2017	Year 2	78
EPM 19369	Amaroo South	30.01.2012	29.01.2017	Year 2	65
EPMA 18655	Dingo Range	01.5.2010		Offered for grant	34
EPMA 18715	Waroo	1.06.2010		Offered for grant	155
TOTAL AREA					**1,480**

*Tenements under Option and Joint Venture Agreement with Gold Fields Australasia Pty Ltd as at 30.07.2013

Personnel, OH&S, Environment and Community

Occupational Health and Safety (OH&S)

Zamia Metals Limited is committed to achieving the highest standards of safety and health for all its employees and contractors operating in exploration. Training is provided to enable all employees to carry out their responsibilities with the provision of a safe system of work. Adequate records are kept of action taken to manage health and safety in the workplace.

Our People

Zamia ensures that training and assessment is provided for the tasks each employee is required to perform on an on-going basis. Training in field and office equipment, programs and procedures, as well as health and safety practices are available to all employees.

Zamia has a Diversity Policy which ensures that all employees are treated with equal opportunity and respect.

Environment

Environmental policies for protecting native flora and fauna are in place. All field activities are conducted so as to ensure minimal impact; drill sites and camp areas are rehabilitated. A Code of Conduct is adhered to in regard to field work to ensure the highest standard of compliance is achieved.

Community

Zamia is committed to working closely with traditional landowners to identify and protect culturally significant areas.

Zamia follows an open and meaningful communication with the community.

Corporate Governance Statement

Zamia Metals Limited is committed to good corporate governance and disclosure. The Company has substantially adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (Second edition August 2007 with 2010 Amendments) for the entire FY2013 financial year. Where the ASX Corporate Governance Council's recommendations have not been adopted by the Company, this has been identified and explained below.

		Complied	Note
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	1
1.2	Disclose the process of evaluating the performance of senior executives.	Yes	2
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Yes	1-2
2.1	A majority of the Board should be independent directors.	No	3
2.2	The chair should be an independent director.	No	3
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes	3
2.4	The Board should establish a nomination committee.	No	4
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes	2
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes	2-4
3.1	Establish a code of conduct and disclose the code or a summary of the code as to:	Yes	5
	• the practice necessary to maintain confidence in the company's integrity;	Yes	5
	• the practices necessary to take into account the company's legal obligations and the reasonable expectation of their stockholders; and	Yes	5
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	5
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	Yes	6
3.3	Disclose in each annual report the measurable objective for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No	6
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes	6
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes	6
4.1	The Board should establish an audit committee.	Yes	7
4.2	The audit committee should be structured so that it:		7
	• consists only of Non-executive directors;	Yes	
	• consists of a majority of independent directors;	No	
	• is chaired by an independent chair who is not chair of the Board;	Yes	
	• has at least three members.	No	
4.3	The audit committee should have a formal charter.	Yes	7
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	Yes	7
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	8
5.2	Provide the information indicated in Guide to reporting on Principle 5.	Yes	8

Corporate Governance Statement

		Complied	Note
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	9
6.2	Provide the information in the Guide to reporting on Principle 6.	Yes	9
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	10
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	10
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.	Yes	11
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Yes	10-11
8.1	The Board should establish a remuneration committee.	No	12
8.2	The remuneration committee should be structured so that it:		
	• consists of a majority of independent directors;	No	12
	• is chaired by an independent chair; and	No	12
	• has at least three members.	No	12
8.3	Clearly distinguish the structure of Non-executive directors' remuneration from that of executive directors and senior executives.	Yes	13
8.4	Provide the information indicated in Guide to reporting on Principle 8.	Yes	12-13

Notes

1. The Board's role is to govern the Company rather than to manage it. In governing the Company the Directors must act in the best interests of the Company as a whole. The role of Chief Executive Officer is to manage the Company in accordance with the direction and delegations of the Board; the responsibility of the Board is to oversee the activities of the Chief Executive Officer in carrying out these delegated duties.

   The key responsibilities of the Board are:

   - the oversight of the Company including its control and accountability systems;
   - establishing, monitoring and modifying corporate strategies and performance objectives;
   - ensuring that appropriate risk management systems, internal compliance and control, reporting systems, codes of conduct, and legal compliance measures are in place;
   - monitoring the performance of management and implementation of strategy, and ensuring appropriate resources are available;
   - approving and monitoring of financial and other reporting;
   - approving dividends, major capital expenditure, acquisitions and capital raising/restructures; and
   - appointment and removal of Directors, Company Secretary and senior management.

Corporate Governance Statement

Directors' actions are governed by the Company's Constitution and the Corporations Act. Each director is provided with a Directors' Information Kit upon appointment.

2. The Board reviews and approves proposed remuneration (including incentive awards, equity awards and service contracts). As part of this review the Board oversees an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

3. The Company is presently not compliant with this principle. Mr Alan Humphris, the Chairman, and Mr Qiang Chen who are both Non-executive Directors of the Company are directors of West Minerals Pty Ltd, a substantial shareholder of the Company. Dr Ken Maiden is a Non-executive Director. Mr Andrew Skinner is a Non-executive and independent Director. The Board believes, however, that the persons on the Board can, and do make, independent judgements in the best interests of the Company at all times.

4. The Company does not have a Nomination Committee as the Directors believe that size of the Company and the Board does not warrant the formation of such committee. All Board nomination matters are considered by the whole Board.

   The Board oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

   The Board annually reviews the effectiveness of the functioning of the Board, individual directors, and senior executives.

5. The consolidated entity recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics. All Directors and employees are required to act in accordance with the law and with the highest standard of propriety.

   The Company has adopted a Code of Ethics and Conduct for Directors which is included in the Directors' Information Kit provided to all Directors on appointment. This code provides guidance to Directors and management on practices necessary to maintain confidence in the integrity of the Company.

   Directors are required to adhere to industry standards in conduct and dealings. The Company has built a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures.

   The Board also requires employees and consultants working for the Company to display high standards of ethical behaviour and integrity.

6. The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly the Company has developed a diversity policy, a copy of which can be found on the Company website. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the board to establish measurable objectives for achieving diversity, and for the board to assess annually both the objectives, and the Company's progress in achieving them.

   The Board has not yet established objectives in relation to gender diversity but is committed to a continuation of current employment practices where employees are selected on merit. The aim is to achieve greater gender diversity in Director and senior executive positions as they become vacant and appropriately skilled candidates become available:

Corporate Governance Statement

	Actual	
	Number	%
Number of women employees in the whole organisation	3	21
Number of women in senior executive positions	1	11
Number of women on the Board (including Board of subsidiary)	-	-

Responsibility for diversity has been included in the Board charter and the remuneration committee charter (diversity at all levels of the Company below Board level).

7. The Company is not fully compliant with this principle. The audit committee has an independent chairman while the other member is a Non-executive though not an independent Director. Details of these Directors' qualifications and attendance at audit committee meetings are set out in the directors' report on pages 21-28.

   Both members of the Committee have relevant qualification and experience in financial matters and have a good understanding of the industry in which the Company operates.

8. The Company has established procedures designed to ensure compliance with the ASX Listing Rules so that Company announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

   The Board considers and approves all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

9. The Company has a communications strategy and an established policy on stakeholder communication and continuous disclosure to promote effective communication with shareholders, subject to privacy laws and the need to act in the best interests of the Company by protecting commercial information. The Company's policy on communication with shareholders is set out in the Company's Policy on stakeholder communication and continuous disclosure which can be viewed on the Company's website**.**

10. The Board has established policies on risk oversight and management which can be viewed on the Company's website. To carry out this function the Audit Committee or the Board:

    - oversees the establishment, implementation, and annual review of the Company's risk management system, including assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity;
    - reviews the financial reporting process of the Company;
    - discusses with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the policies and procedures of the Company to assess, monitor and manage business risk; and
    - reviews with the external auditor any audit problems and the Company's critical policies and practices; and reviews and assesses the independence of the external auditor.

    Systems of internal financial control have been put in place by the management of the Company and are designed to provide reasonable, but not absolute, protection against fraud and material miss-statement. These controls are intended to identify, in a timely manner, control issues that require attention by the Board.

Corporate Governance Statement

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- financial exposures are controlled, including the use of derivatives. Further details of the Company's policies relating to interest rate management, forward exchange rate management and credit risk management are included in the financial statements;
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel; and financial; and
- reporting accuracy and compliance with the financial reporting regulatory framework.

11. The Board has received from the Chief Financial Officer an assurance that internal risk management and the internal control system are effective; and assurance from the Chief Executive Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control which is operating effectively in respect to financial reporting risks.

12. Due to the size of the Board the Company does not have a Remuneration Committee. The functions normally carried out by such a committee are currently handled by the whole Board as discussed in note 1.

13. The remuneration policy, which sets the terms and conditions for the Chairman and other senior executives has been approved by the Board.

    All executives receive fees and also may receive incentives in the form of shares. The Board reviews executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies.

    Executives may be entitled to participate in shares issued under the Employee Share Plan.

    The criteria used in determining the issue of shares to management include achievement of commercial and technical objectives.

    The amount of remuneration of all directors and executives, including all monetary and non-monetary components, is detailed in the Directors' Report. All remuneration paid and any options issued to executives are valued at a cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

    The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the economic entity. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

Directors' Report

The Directors of Zamia Metals Limited present their report on the Company and its controlled entities for the financial year ended 30 June 2013.

Directors

The names of Directors in office at any time during or since the end of the year are:

Mr Alan John Humphris

Non-executive Director (and Non-executive Chairman)

Qualifications:	BSc, BEc, LLM, FCPA
Experience:	Alan Humphris is an investment banker with more than 31 years' experience in Australian and international markets. He was formerly Managing Director of Balmoral Capital Pty Limited, an investment banking firm specialising in providing M & A and corporate advisory services, which he founded in 1997. This followed a career in merchant banking with JP Morgan and Hambros Australia Limited.
Special responsibilities:	Member of the Audit Committee
Interest in shares and options:	605,647 ordinary shares
Other current directorships:	Alan Humphris is a Non-executive Director of ASF Group Limited and of International Base Metals Limited. He is also a Non-executive Director of West Minerals Pty Ltd, a substantial shareholder of the Company.

Dr Kenneth John Maiden

Non-executive Director

Qualifications:	BSc, PhD, FAusIMM, MAIG
Experience:	Since completing a doctoral thesis on the Broken Hill orebody, Ken has had 40 years of professional experience - as an exploration geologist with major resource companies (CSR and MIM), as an academic (University of the Witwatersrand, Johannesburg) and as a mineral exploration consultant. More recently, Ken has established mineral exploration companies in Southern Africa and Northwest Queensland, and is a founding director of International Base Metals Limited. Ken has participated in successful base metal exploration programmes in South Australia, Queensland, Namibia, Botswana and Indonesia.
Interest in shares and options:	2,361,578 ordinary shares and 1,500,000 options in Zamia Metals Limited.
Other current directorships:	Executive Director of International Base Metals Limited.

Directors' Report

Mr Qiang Chen

Non-executive Director

Qualifications:	BSc, MSc
Experience:	Mr Chen is Managing Director of West Minerals Pty Ltd, one of the Company's substantial shareholders. Qiang Chen, a resident of Perth, has extensive experience in international commodities trading and private equity investment. In the 1990's he was the Marketing Manager of China Metallurgical Import and Export Corporation
Interest in shares and options:	1,000,000 options over ordinary shares in Zamia Metals Limited.
Other current directorships:	Qiang Chen is an alternate Non-executive Director of International Base Metals Limited. He is also an Executive Director of West Minerals Pty Ltd, a substantial shareholder of the Company.

Mr Andrew Skinner

Non-executive Director

Qualifications:	BEc, MEc, CPA, AICD
Experience:	Andrew Skinner has been in public practice as an accountant for more than 31 years practising extensively in taxation and superannuation law. As well as being on the board of Zamia since 2006 he was also involved in the successful Augur Ltd IPO (ASX: AUK). He has wide-ranging experience in business and exploration mining development.
Special responsibilities:	Chairman of the Audit Committee
Interest in shares and options:	156,000 ordinary shares and 1,000,000 options in Zamia Metals Limited
Other current directorships:	Andrew is an Executive Director of Dome Gold Mines Limited and Magma Mines Limited.

Mr John Stone
Company Secretary

Qualifications:	BEc
Experience:	John has over 31 years' experience in the Australian and international corporate markets. In that time he has been a Director and Company Secretary for a diverse range of private and public listed companies.
Interest in shares and options:	293,437 ordinary shares in Zamia Metals Limited

Directors' Report

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while they were a director. During the financial year five board meetings and two audit committee meetings were held.

	Full meeting of Directors		Meetings of Audit Committee	
	A	B	A	B
Alan John Humphris	5	5	2	2
Kenneth John Maiden	5	5	-	-
Qiang Chen	5	5	-	-
Andrew Skinner	5	5	2	2

A. Number of Meetings held during the time the director held office or was a member of the committee during the year

B. Number of meetings attended

Principal Activity

During the year the principal continuing activity of the Group consisted of mineral exploration, primarily for gold, copper and molybdenum within the Clermont region of Central Queensland.

There were no changes in the Group's principal activity during the course of the financial year.

Dividends

No dividends have been declared in the 2013 financial year (2012: no dividend declared).

Review of Operations

Operating Results

The Group's net loss after tax (NLAT) was $1,457,249 (2012: NLAT $2,992,560) with all exploration expenditure of $621,365(FY13:$1,903,883) incurred during the year having been written off rather than capitalised.

The Company's tenement position continues to be sound but is being prioritised to ensure exploration expenditure is targeted towards the most promising targets.

The main focus of activity during the past year has been advancing the copper and gold prospects held by the Company, as well as the Anthony molybdenum project in the Clermont district of Queensland, where the Company has established an Inferred Resource.

Directors' Report

Corporate Capital Raising

The Company continues to be transparent in its need to raise capital progressively to maintain its targeted exploration activities. As an exploration company, Zamia recognises the need to modify planned activities in the light of market conditions and the availability of capital.

The Company in July 2012 entered into a Loan Agreement with Brownstone International Pty Limited (Brownstone), a substantial shareholder of the Company, to receive loan funds in the amount of $500,000 which, in the Company's sole discretion, was either repayable as cash or was convertible into Zamia shares (subject to the approval of Zamia shareholders), at an issue price of three cents per share including one option for every four shares issued. The options have a term to expiry of two years and an exercise price of five cents per option. The loan funds were drawn down in August 2012.

A placement of 7,744,913 ordinary shares to Brownstone was made on 24 December 2012 at an issue price of $0.02 per share to raise $154,898 for working capital purposes.

On 22 January 2013 following the approval of shareholders at the Company's 2012 Annual General Meeting the $500,000 loan provided by Brownstone, was repaid (together with interest accrued) by the issue of 17,294,978 ordinary shares of the Company at an issue price of $0.03 per share in accordance with the loan agreement.

Additionally as provided for under the loan agreement 4,223,744 unlisted options over ordinary shares (being one option for every four shares issued) were also allotted to Brownstone, exercisable at $0.05 per option and expiring on 21 January 2015.

On 8 March 2013 a further loan agreement for a loan amount of $800,000 was entered into with Brownstone with a repayment date of six months after the loan drawdown. Interest is payable on the loan at 8% p.a. The Company in its sole discretion, subject to having obtained approval of Zamia shareholders, may elect to repay the loan amount and accrued interest by the issue of Zamia shares at a price calculated as the 30 day VWAP for Zamia shares traded on the ASX in the period ending one day prior to the date of an Extraordinary General Meeting (EGM) of Zamia at which shareholders are asked to consider for approval the issuance of Zamia shares in full satisfaction of the loan amount and interest accrued. A drawdown notice was issued to the lender on 12 March 2013 and the loan funds received on 13 March 2013.

On 18 June 2013 the Company issued an offer to eligible shareholders to participate in the Company's 2013 Share Purchase Plan (SPP). The SPP presented a convenient opportunity for eligible shareholders to increase the number of shares in the Company that they hold, without incurring brokerage costs, by subscribing for new shares in the Company at an Issue Price of 0.639 cents ($0.00639) per share, up to a maximum investment amount of $15,000.

The Issue Price represented a 10% discount to the 30 day volume-weighted average price of the Company's shares traded on the ASX in the period ending on the SPP record date. The amount that can be raised under this SPP was capped at the total of $522,525 (comprising the issue of 81,772,356 shares) in accordance with the ASX Listing Rules.

The SPP offer closed after year-end on 23 July 2013 raising $98,500. A further $10,000 was raised by a small placement out of the SPP shortfall. Funds raised from the SPP together with existing cash resources will be applied towards the Company's working capital needs and exploration program for copper/gold deposits in central Queensland. Updates of the Company's exploration activities are available on the Company's website and from the Company's announcements on the ASX.

On 25 June 2013 following the approval of shareholders at the EGM held on 18 June, 2013 the loan of $800,000 provided by Brownstone, was repaid (together with interest accrued) by the issue of 115,195,061 ordinary shares of the Company at an issue price of $0.0071 per share in accordance with the terms of the loan agreement.

Directors' Report

Corporate Capital Raising (continued)

On 28 June 2013 a share placement of 70,422,535 ordinary shares to a professional investor at an issue price of $0.0071 per share, raised $500,000.

During the financial year the total amount raised net of capital raising costs including the loan conversion funds and interest payable on the loans was $1,954,898.

The capital raised has been used for working capital proposes, including continuation of the current exploration on the Group's tenements in Queensland.

The Company continues to assess suitable funding options including joint ventures on individual tenements, so that it can pursue its exploration program with a view to making further discoveries.

At 30 June 2013, the number of listed ordinary shares was 458,192,118 (2012:247,534,631).

Option and Joint Venture Agreement with Gold Fields

In July 2012 Zamia entered into an Option and Joint Venture Agreement with Gold Fields Australasia Pty Ltd to explore for gold and copper on up to nine EPMs held by Zamia. Under the Agreement Gold Fields can earn rights in two option periods by funding $10 million in exploration expenditure to earn up to a 70% joint venture interest in up to three EPMs out of the nine EPMs, which are the subject of the Agreement. At 30 June 2013 Gold Fields had relinquished all rights in respect of five of the nine tenements and have until 26 January 2014 to select up to three tenements they wish to form a Joint Venture with the company, if any. By that date Gold Fields is required to have spent a minimum of $1.0 million on exploring the nine tenements.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Group during the financial year.

After Balance Date Events

On 19 July 2013 Gold Fields relinquished the right on a further tenement and now retains three tenements under the Option and JV agreement.

On 23 July 2013 the Company's offer to eligible shareholders to participate in the 2013 Share Purchase Plan (SPP) closed and raised $98,500. The Company issued 15,414,698 shares at $0.639 cents per share to shareholders who subscribed for shares under the SPP. A further $10,000 was raised by a small placement out of the SPP shortfall.

Apart from the above items, there are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Regulations

The Consolidated Entity's operations are presently subject to environmental regulations under the laws of the Commonwealth of Australia and the states of Queensland and New South Wales. The Consolidated Entity is at all times in full environmental compliance with the conditions of its licences.

Remuneration Report

This report outlines the remuneration arrangements in place for Directors and executives of Zamia Metals Limited.

Directors' Report

Remuneration Policy

Zamia Metals Limited is a junior listed mineral exploration company with no revenue stream. The Company requires the continuing ongoing financial support of its shareholders and new investors to maintain an effective exploration program. The Company has yet to make a profit or pay a dividend. These elements are all considered when evaluating the Company's ability to remunerate key management personnel.

The Company does not have a Remuneration Committee; the Board determines the remuneration applicable to each key management person as and when required. All key management personnel were appointed under arm's length agreements acceptable to both parties.

Long-term incentives such as the issue of options to Directors and key management personnel are determined by Directors and approved by shareholders in general meeting.

This form of long term incentive does not consume any of the Company's cash resources and must result in a substantial increase in shareholder wealth before the recipient receives any benefit.

Excluded from contractual agreements with all key management personnel are references to any element of remuneration dependent on the satisfaction of a performance condition.

Engagement Contracts of Executive Directors and Key Management Personnel

All Non-executive Directors have been appointed by the Board and receive directors' fees and superannuation entitlements.

The remuneration of the Company Secretary, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have been approved by the Board.

Details of Remuneration

Details of the remuneration of the Directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of Zamia Metals Limited are set out in the following tables.

The key management personnel of the Group include the directors of Zamia Metals Limited, the company secretary and other key management personnel, details of whom are disclosed on pages 28-29.

Remuneration - Key Management Personnel of the Group 2013

		Short-term benefits	**Post-employment benefits**	**Share-based payments**		
Name		**Cash, salary and fees $**	**Super-annuation $**	**Equity $**	**Options $**	**Total $**
***Non-executive* Directors**						
Alan John Humphris		30,000	2,700	-	-	32,700
Kenneth Maiden		18,000	1,620	-	-	19,620
Qiang Chen		18,000	1,620	-	-	19,620
Andrew Skinner		20,000	1,800	-	-	21,800
Other Key Management Personnel (Group)						
Jordan Li, CEO		78,000	7,020	-	-	85,020
John Stone, Company Secretary	1	38,340	-	-	-	38,340
Barry Neal, CFO	2	22,523	-	-	-	22,523
Penny Daven, Tenement Manager/Senior Geologist		100,800	9,072	-	-	109,842
Daniel Doman, Geologist		117,250	10,323			127,573
Total key management personnel compensation		**442,913**	**34,155**	**-**	**-**	**477,068**

1 Fees paid to a John Stone as a sole trader and not as an employee.

2 Fees paid to a related entity Barry F Neal Consulting Pty Ltd.

Directors' Report

Remuneration - Key Management Personnel of the Group 2012

		Short- term benefits	Post-employment benefits	Share-based payments		
Name		**Cash, salary and fees $**	**Super-annuation $**	**Equity $**	**Options $**	**Total $**
***Non-executive* Directors**						
Alan John Humphris (appointed Non-executive Chairman 2 April 2012)	1	45,975	3,240	-	-	49,215
Kenneth John Maiden (Executive Chairman up to 2 April 2012)	2	103,600	810	-	-	104,410
Qiang Chen		36,000	3,240	-	-	39,240
Andrew Skinner	3	38,780	3,240	-	-	42,020
Other Key Management Personnel (Group)						
Jordan Li, General Manager (appointed 5 August 2011), appointed CEO 2 April 2012	4	69,229	6,231			75,460
John Stone, Company Secretary	5	42,020	-	-	-	42,020
Graeme Deegan, General Manager (resigned 18 November 2011)	6	80,550	-	-	-	80,550
Barry Neal, CFO	7	30,493	-	-	-	30,493
Sam Garrett, Exploration Manager	8	88,751	-	-	-	88,751
Penny Daven, Director, Zamia Resources Pty Ltd	9	100,800	9,072	-	-	109,872
Total key management personnel compensation		636,198	25,833	-	-	662,031

1 Directors' fees and super paid to Alan John Humphris. In addition corporate services were provided by Balmoral Development Corporation Pty Ltd a company controlled by his spouse. Fees billed, $9,300.

2 Directors' fees and super paid to Kenneth John Maiden. In addition fees for geological services paid to a related entity Kraton Geoscience Pty Ltd. Fees billed, $94,600. Resigned as Executive Chairman/MD on 2 April 2012 but continues as a Non-executive Director.

3 Directors' fees and super paid to Andrew Skinner. In addition fees for corporate services provided paid to related entities Andrew Skinner & Associates Pty Ltd $1,280 and Mast Advisers Pty Ltd $1,500.

4 Salary and super paid to Jordan Li.

5 Fees paid to a John Stone as a sole trader and not as an employee.

6 Fees paid to a related entity Resource Advisors Group Pty Ltd for services provided.

7 Fees paid to a related entity Barry F Neal Consulting Pty Ltd.

8 Fees paid to a related entity Metal Ventures Pty Ltd.

9 Employed by Zamia Resources Pty Ltd as Tenement Manager.

Options over Ordinary Shares Granted as Remuneration

Options may be issued to Directors and Company employees as part of their remuneration. The options are not issued based on performance criteria, but may be issued to Directors and employees as a way of limiting cash remuneration and furthering the alignment of interests of these persons with the Company.

No options were granted to key management personnel during the reporting period, no options vested, no options were exercised however 750,000 million options expired in relation to Directors.

Shares under Option

Unissued ordinary shares of Zamia Metals Limited under option at the date of this report to key management personnel and other option holders are as follows:

Date options granted	Expiry Date	Issue price of shares	Number under option
18 Dec'08	17 Dec'13	$0.15	5,000,000
18 Dec'12	30 Jan'14	$0.105	7,142,856
22 Jan' 13	22 Jan' 15	$0.05	4,323,744
			16,466,610

Directors' Report

Indemnifying and Insurance of Directors and Officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnity, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure all of the Directors of the Company as named above, the Company Secretary, Mr John Stone, and all executive officers of the Company against any liability incurred as such by Directors, the Secretary or Executive Officers to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit Services

Details of the amounts paid or payable to an entity associated with auditor Hall Chadwick for non-audit services provided during the year are set out below:

Corporate services	20,000
Tax compliance services	1,000
	21,000

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2013 as required under section 307C of the Corporations Act is set out on page 31.

Signed in accordance with a resolution of the Board of Directors.

Alan Humphris

Chairman

Sydney 23 September 2013

HALLCHADWICK

Chartered Accountants and Business Advisers

ZAMIA METALS LIMITED
ABN 73 120 348 683
AND CONTROLLED ENTITY

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ZAMIA METALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

(a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

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

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, SYDNEY NSW 2001

Graham Webb
Partner
Dated: 23 September 2013

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HALLCHADWICK

Chartered Accountants and Business Advisers

ZAMIA METALS LIMITED
ABN 73 120 348 683
AND CONTROLLED ENTITY

INDEPENDENT AUDIT REPORT TO
THE MEMBERS OF ZAMIA METALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Zamia Metals Limited which comprises the consolidated statement of financial position as at 30 June 2013,the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

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HALLCHADWICK

ZAMIA METALS LIMITED
ABN 73 120 348 683
AND CONTROLLED ENTITY

INDEPENDENT AUDIT REPORT TO
THE MEMBERS OF ZAMIA METALS LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Zamia Metals Limited is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 (b) in the financial report, which indicates that the consolidated entity incurred a net loss of $1,457,249 during the year ended 30 June 2013. This condition, along with other matters as set forth in Note 1 (b), indicates the existence of a material uncertainty that 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 and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 29 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the remuneration report of Zamia Metals Limited for the year ended 30 June 2013 complies with section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, SYDNEY NSW 2001

Graham Webb
Partner
Date: 23 September 2013

Directors' Declaration

In accordance with a resolution of the Directors of Zamia Metals Limited, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 35-56, are in accordance with the Corporations Act 2001, and:

   a) comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated group;

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; and

3. the Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Alan Humphris

Chairman

Sydney, 23 September 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Other Revenue	4	194,159	78,520
Other Income	4	-	104
Administrative Service fees		-	(116,635)
Consultancy fees		(80,531)	(198,759)
Occupancy expense		(128,152)	(80,141)
Directors' remuneration		(86,000)	(117,000)
Depreciation and amortisation expense	5	(34,412)	(26,436)
Compliance costs		(75,754)	(37,082)
Exploration and evaluation expenditure	5	(621,365)	(1,903,883)
Employee benefits expense		(331,851)	(332,629)
Finance expense		(36,734)	(23,014)
Option expense		(29,756)	-
Loss on disposal of plant and equipment		(10,524)	=
Other expenses		(216,327)	(235,605)
(Loss) before Income Tax		(1,457,249)	(2,992,560)
Income tax expense	6	-	-
(Loss) attributable to Members of the parent entity		(1,457,249)	(2,992,560)
Other Comprehensive Income		-	-
Total Comprehensive (loss) for the year attributable to owners of Zamia Metals Limited		**(1,457,249)**	**(2,992,560)**
Basic and diluted earnings cents per share	24	(0.56)	(1.27)

Notes to financial statements are included on pages 39-56

Consolidated Statement of Financial Position

As at the end of Financial Year 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,067,070	455,834
Other current assets	8	40,940	31,854
TOTAL CURRENT ASSETS		1,108,010	487,688
NON-CURRENT ASSETS			
Plant and equipment	9	40,184	75,377
Other non-current assets	8	52,539	50,000
TOTAL NON-CURRENT ASSETS		92,723	125,377
TOTAL ASSETS		1,200,734	613,065
CURRENT LIABILITIES			
Trade and other payables	11	150,006	144,681
Short term provisions	12	51,971	33,767
TOTAL CURRENT LIABILITIES		201,977	178,448
TOTAL LIABILITIES		197,748	178,448
NET ASSETS		998,757	434,617
EQUITY			
Contributed equity	13	21,032,301	19,040,669
Reserves	14	467,408	2,286,722
Retained losses		(20,500,952)	(20,892,774)
TOTAL EQUITY		998,757	434,617

Notes to financial statements are included on pages 39-56

Consolidated Statement of Changes in Equity

For Financial Year Ended 30 June 2013

	Share capital ordinary shares $	Retained losses $	General Reserve $	Option Reserve $	Total $
Balance at 1/7/2011	**16,521,655**	**(17,900,214)**	**195,703**	**2,091,019**	**908,163**
Shares issued during the year after share issue costs	2,519,014	-	-	-	2,519,014
Comprehensive loss for the year	-	(2,992,560)	-		(2,992,560)
Balance at 30/6/2012	**19,040,669**	**(20,892,774)**	**195,703**	**2,091,019**	**434,617**
Balance at 1/7/2012	19,040,669	(20,892,774)	195,703	2,091,019	434,617
Shares issued during the year after share issue costs	1,991,632	-	-	-	1,991,633
Share options	-	-	-	29,757	29,757
Comprehensive loss for the year	-	(1,457,249)	-	-	(1,457,249)
Transfer of expired options to retained earnings		1,849,071		(1,849,071)	-
Balance at 30/6/2013	**21,032,301**	**(20,500,952)**	195,703	271,705	**998,757**

Notes to financial statements are included on pages 39-56

Consolidated Statement of Cash Flows

For Financial Year Ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from debtors inclusive of GST on sales		194,330	36,594
Payments to suppliers and employees		(1,542,917)	(3,298,722)
Interest received		16,707	45,252
Net cash(used in) by operating activities	23	(1,331,880)	(3,216,876)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		11,500	294
Purchase of plant and equipment		(20,742)	(47,473)
Security deposit paid		(2,540)	(50,000)
Net cash (used in) by investing activities		(11,782)	(97,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		654,898	1,000,000
Cost of capital raising		-	(4,000)
Proceeds from borrowings		1,300,000	1,500,000
Net cash provided by financing activities		1,954,898	2,469,000
Net increase/(decrease) in cash held		611,236	(818,055)
Cash at the beginning of the financial year		455,834	1,273,889
Cash at the end of the financial year	7	1,067,070	455,834

Notes to financial statements are included on pages 39-56

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Zamia Metals Limited and its subsidiary.

The financial statements were authorised for issue on 17 September, 2013 by the Directors of the Company.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board' and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the lASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(i) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Zamia Metals Limited at the end of the reporting period. A controlled entity is any entity over which Zamia Metals Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, reported separately within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 'Presentation of Financial Statements' effective 1 July 2012 now require the statement of profit and loss and other comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (p).

(b) Going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The net loss after income tax for the consolidated entity for the financial year ended 30 June 2013 was $1,457,249 (2012: $2,992,560).

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

(i) In the financial year the Company raised funds from share placements including conversion of loans to equity resulting in a net cash injection of $1.99 million;
(ii) The Group had $1.06 million in cash at 30 June 2013;
(iii) The Group has budgeted expenditure of $3.5 million for the period from 1 July 2013 to 30 September 2014, with projected net capital raising over this period to contribute $2.5 million to meet this budgeted expenditure;
(iv) Budgeted expenditure will allow the Company to meet all tenement commitments including those on tenements previously under the JV option agreement with Goldfields.

The funds raised would enable the Company to continue with low cost exploration activities for gold and copper. However the ability of the Group to meet operating expenditure is also dependent upon future fundraising or the Company's business activities generating positive cash flows. The Company is projected to require further capital raising in the future to advance its exploration for gold and copper and its Anthony molybdenum project through various assessments.

In the event that the consolidated entity is unable to raise sufficient funds there is a significant uncertainty whether it will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities at the amounts stated in the financial report. The ability of the Group to raise funds will depend on the Company's exploration results and equity market conditions for capital raising. As the Company expenses all exploration costs as incurred, no value is recognised in the financial statements at present.

(c) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Zamia Metals Limited and its wholly-owned controlled entity have not implemented the tax consolidation legislation.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(e) Exploration and development expenditure

All exploration, evaluation and development expenditure on all the Company's exploration tenements is expensed as incurred. Directors believe this treatment where expenditure is expensed rather than capitalised is more relevant to understanding the Company's financial position, complies fully with AASB 6 and is cash flow neutral.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown with short-term borrowings in current liabilities on the balance sheet.

(h) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loan to subsidiaries are classified as non-current receivables.

Recognition and derecognition

Financial assets carried at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(i) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

Depreciation is provided on plant and equipment and leasehold improvements. Depreciation is calculated on a diminishing value or straight line basis over the useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment - diminishing value	25%
Computer equipment - diminishing value	40%
Motor vehicles - diminishing value	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date.

(m) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, plus related on-costs.

Equity-settled compensation

The Company operates a share-based compensation plan approved by shareholders. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the Income Statement. The total amount is expensed over the vesting period by reference to the fair value of those shares or options at the date the shares or options are granted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except, where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet, are shown inclusive of GST. The net amount of GST recovrable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

(o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – impairment of other receivables

The directors have reviewed outstanding debtors as at 30 June 2013 and have formed the opinion that not all debtors outstanding are collectible and have therefore decided that a provision for impairment of other receivables should be made in the Parent entity's accounts of $14,679,116 being a debt owing by a subsidiary to the parent entity.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards -Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from I January 2015).

AASB 9 '*Financial Instruments'* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will not affect in the group as it has no available-for-sale financial assets or available-for-sale debt investments.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards -Transition Guidance and Other Amendments (effective 1 January 2013).

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation -Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

The group does not expect any of the above new standards to have a significant impact on its composition.

(iii) AASB **13** ***Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting.***

Standards arising from AASB 13 (effective 1 January 2013). AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

(iv) AASB 2011–4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.

(v) AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 2012–2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

(vi) AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and

  AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements.

NOTE 2: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, receivables and payables, and loans to subsidiaries.

The totals for each category of financial instruments, disclosed in accordance with AASB 7 as detailed in the accounting policies to these financial instruments, are as follows:

Financial Risk Management Policies

Risk management is carried out by management under policies approved by the Board of Directors. The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements.

The Group's financial instruments consist mainly of deposit with banks, accounts receivable and payable, and loans to subsidiaries.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2013	2012
	$	$
Financial Assets		
Cash and cash equivalents	1,067,070	455,834
Other current assets	36,712	31,854
	1,103,782	487,688
Financial liabilities		
Trade and other payables	197,748	178,448

(a) Borrowings

The Company in July 2012 entered into a Loan Agreement with Brownstone International Pty Limited (Brownstone), a substantial shareholder of the Company, to provide a loan in the amount of $500,000 which, in the Company's sole discretion, was either repayable as cash or was convertible into Zamia shares (subject to the approval of Zamia shareholders), at an issue price of three cents per share including one option for every four shares, with an option term to expiry of two years and an exercise price of five cents per option. The loan funds were drawn down in August 2012.

On 22 January 2013 following the approval of shareholders at the Company's 2012 Annual General Meeting the $500,000 loan provided by Brownstone, was repaid (together with interest accrued) by the issue of 17,294,978 ordinary shares of the Company at an issue price of $0.03 per share in accordance with the loan agreement.

On 8 March 2013 a further loan agreement for the amount of $800,000 was signed with Brownstone International Pty Limited with a repayment date of six months after the loan drawdown. Interest was payable on the loan at 8% p.a. The Company in its sole discretion, subject to having obtained approval of Zamia shareholders, could elect to repay the loan amount and accrued interest by the issue of Zamia shares at a price calculated as the 30 day VWAP for Zamia shares traded on the ASX in the period ending one day prior to the date of the Extraordinary Meeting of Zamia shareholders to consider for approval the issuance of Zamia shares in full satisfaction of the loan amount and interest accrued. A drawdown notice was issued to the lender on 12 March 2013 and the loan funds received on 13 March 2013.

On 25 June 2013 following the approval of shareholders at the an EGM held on 18 June, 2013 the loan of $800,000 provided by Brownstone, was repaid (together with interest accrued) by the issue of 115,195,061 ordinary shares of the Company at an issue price of $0.0071 per share in accordance with the loan agreement.

(b) Market and price risk

The Groups activities as an exploration company do not expose it to market or credit risk at this stage.

(c) Cash flow and fair value interest rate risk

As the Consolidated Entity does not have any external debt at balance date and all its liabilities have a fixed interest rate or are non-interest bearing, the effect on profit and equity as a result of change in the interest rate, with all other variables remaining constant would be immaterial. The Consolidated Entity has no foreign exchange exposure.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT

(d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial Liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- ensuring that adequate capital raising activities are undertaken;
- maintaining a reputable credit profile;
- Investing surplus cash only with major financial institutions.

The Group depends principally on capital raising and short term borrowing to manage cash flow requirements.

The following tables reflect the Group's undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

30 June 2013			Fixed Interest Rate Maturing				
	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non-interest Bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash	2.64%	1,067,070	-	-	-	-	1,067,070
Deposits	5.05%	-	52,539	-	-	-	52,539
Total financial assets		1,067,070	52,539	-	-	-	1,119,609
Trade and other payables		-	-	-	-	197,748	197,748
Total financial liabilities		-	-	-	-	197,748	197,748

30 June 2012			Fixed Interest Rate Maturing				
	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	More than 5 Years	Non-interest Bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash	2.64%	455,834	-	-	-	-	455,834
Deposits	5.05%	-	50,000	-	-	-	50,000
Total financial assets		455,834	50.000	-	-	-	505,834
Trade and other payables		-	-	-	-	178,448	178,448
Total financial liabilities		-	-	-	-	178,448	178,448

(e) Fair value

Cash and cash equivalents, trade and other receivables and other trade payables are short-term instruments in nature whose carrying value is equivalent to fair value.

NOTE 3: SEGMENT INFORMATION

The Group operates primarily in one geographical and in one business segment, namely mineral exploration in Queensland and reports to the Board on this basis.

Notes to the Financial Statements

NOTE 4: REVENUE

	Consolidated Group	
	2013 $	2012 $
Other revenue		
Administration service fees	142,679	33,268
Service fees from JV partner	33,984	-
Interest received – other entities	17,496	45,252
	194,159	78,520
Other Income		
Net gain on disposal of plant and equipment	-	104

NOTE 5: LOSS FOR THE YEAR

	Consolidated Group	
	2013 $	2012 $
Loss before income tax includes the following specific expenses:		
Exploration expenditure	621,365	1,903,883
Depreciation and amortisation expense	34,412	26,436
Loss on disposal of plant and equipment	10,524	-
Option expense	29,757	-

NOTE 6: INCOME TAX

(a) Income tax expense		
Current tax		
Deferred tax	(428,248)	(897,768)
Deferred tax assets not recognised	428,248	897,768
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense at 30% (2012: 30%)	(437,175)	(897,768)
Add tax effect of:		
Option expense	8,927	
Deferred tax assets not recognised	428,248	897,768
Income tax expense	-	-
Total deferred tax assets not recognised	5,982,811	5,554,844

Also refer to Note 10 for details of deferred tax assets not recognised

NOTE 7: CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash at the end of the year

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	275,289	43,795
Deposits at call	791,781	412,039
Balances as per statement of cash flows	1,067,070	455,834

(b) Interest rate risk exposure

The group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Notes to the Financial Statements

NOTE 8: OTHER ASSETS

Current		
Deposits	4,830	4,580
GST receivable	16,002	14,680
Other receivables	20,108	12,594
	40,940	31,854
Non-Current		
Deposits	52,539	50,000

NOTE 9: NON-CURRENT ASSETS - PLANT AND EQUIPMENT

Consolidated	**Plant and Equipment at cost** $	**Furniture and Fittings at cost** $	**Computer equipment at cost** $	**Motor vehicles at cost** $	**TOTAL** $
At 1 July 2011					
Cost	2,762	6,585	16,597	95,312	121,256
Accumulated depreciation	(127)	(5,455)	(14,230)	(47,566)	(67,558)
Net book value	2,635	1,130	2,367	47,566	53,698
Year ended 30 June 2012					
Opening net book value	2,635	1,130	2,367	47,566	53,698
Additions	-	1,288	47,019	-	48,307
Disposals	-	-	(192)	-	(192)
Depreciation charge	(551)	(576)	(6,346)	(18,063)	(26,436)
Closing net book value	2,084	1,842	42,848	28,603	75,377
At 30 June 2012					
Cost	2,762	7,873	63,424	95,312	169,371
Accumulated depreciation	(678	(6,031)	(20,576)	(66,709)	(93,994)
Net book value	2,084	1,842	42,848	28,603	75,377
Year ended 30 June 2013					
Opening net book value	2,084	1,842	42,848	28,603	75,377
Additions	-	54	20,689	-	20,742
Disposals			(11,408)	(10,116)	(21,524)
Depreciation charge	(5470	(696)	(15,937)	(17,231)	(34,412)
Closing net book value	1,537	1,200	36,192	1,256	40,184
At 30 June 2013					
Cost	2,763	7,927	63,817	77,312	151,819
Accumulated depreciation	(1,226)	(6,727)	(27,625)	(76,056)	(111,635)
Net book value	1,537	1, 200	36,192	1,256	40,184

NOTE 10: NON-CURRENT ASSETS – DEFERRED TAX ASSETS

Deferred tax assets not brought to account the benefit of which will only be realised if the conditions for deductibility set out in Note 1(e) are satisfied.

- tax losses and timing differences at 30% not brought to account $5,982,811 (2012: $5,554,844).

Notes to the Financial Statements

NOTE 11: CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated Group	
	2013	2012
	$	$
Trade payables	86,723	74,693
Sundry payables and accrued expenses	63,283	69,988
	150,006	144,681

NOTE 12: SHORT-TERM PROVISIONS

	Consolidated Group	
	2013	2012
	$	$
Employee entitlements	51,971	33,767
Reconciliation of movement in the liability is recognized in the balance sheet as follows:-		
Balance at begging of financial year	33,767	46,872
Increase/(decrease in provision	18,204	(13,105)
Balance at end of financial year	51,971	33,767

NOTE 13: CONTRIBUTED EQUITY

	Consolidated Group	
	2013	2012
	$	$
Fully paid ordinary shares 458,192,118 (2012: 247,534,631)	21,032,301	19,040,669

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(a) Movements in ordinary share capital

Date	Details	No of shares	Issue price	$
30 June 11	Balance	215,331,109		16,521,655
1 Sep 11	Conversion of loan to equity	17,917,808	0.085	1,523,014
16 Feb 12	Share placement	7,142,857	0.07	500,000
8 Mar 12	Share placement	7,142,857	0.07	500,000
	Less transaction costs arising on shares issued			(4,000)
30 June 12	Balance	247,534,631		19,040,669
27 Dec 12	Share placement	7,744,913	0.02	154,898
22 Jan 13	Conversion of loan to equity	17,294,978	0.03	518,849
25 June 13	Conversion of loan to equity	115,195,061	0.0071	817,885
28 Jun 13	Share placement	70,422,535	0.0071	500,000
30 June 13	**Balance**	**458,192,118**		**21,032,301**

(b) Ordinary shares

During the financial year the company issued 210,657,487 ordinary shares at prices as disclosed in the above table.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Notes to the Financial Statements

NOTE 13: CONTRIBUTED EQUITY (continued)

(c) Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The Group had no long-term debt at 30 June 2013 and therefore no meaningful gearing ratio.

NOTE 14: RESERVES

	Consolidated Group	
	2013	2012
	$	$
General reserve (a)	195,703	195,703
Option Reserve (b)	271,705	2,091,019
	467,408	2,286,722

(a) The general reserve has resulted from listed options which have expired and not been exercised.
(b) The share option reserve records items as expenses on valuation of share options reduced by those options which were not exercised at expiry date.

NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation:

Short-term employee benefits	442,913	636,198
Post-employment benefits	34,155	25,833
	477,068	662,031

Details of key management personnel remuneration are included in the remuneration report on page 28-29.

(b) Shareholdings of key management personnel

The number of shares in the company held during the financial year by each Director of Zamia Metals Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2013	Balance at start of the year	Received during the year as ets	Other changes during the year	Balance at the end of the year
Directors				
Kenneth Maiden	2,361,578	-	-	2,361,578
Alan Humphris	605,647	-	-	605,647
Qiang Chen	-	-	-	-
Andrew Skinner	156,000	-	-	156,000
Other Key Management Personnel of the Group				
John Stone, Company Secretary	293,437	-	-	293,437
	3,416,662	-	-	3,416,662

Notes to the Financial Statements

NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2012	Balance at start of the year	Received during the year as share based payments	Other changes during the year	Balance at the end of the year
Directors				
Kenneth Maiden	2,361,578	-	-	2,361,578
Alan Humphris	605,647	-	-	605,647
Qiang Chen	-	-	-	-
Andrew Skinner	156,000	-	-	156,000
Other Key Management Personnel of the Group				
John Stone, Company Secretary	293,437	-	-	293,437
Graeme Deegan, General Manager*	229,939	-	-	229,939
Sam Garrett, Exploration Manager	140,000	-	-	140,000
	3,786,601	-	-	3,786,601

***Resigned during the reporting period**

(d) Option holdings of key management personnel

The number of share options in the company held at the end of the financial year by each director of Zamia Metals Limited and other key management personnel of the Group, including their personally related parties are set out below.

2013	Balance at start of the year	Received during the year as share based payments	Exer-cised	Other changes*	Balance at the end of the year	Vested and exercisable
Qiang Chen	1,000,000	-	-	-	1,000,000	1,000,000
Andrew Skinner	1,250,000	-	-	(250,000)	1,000,000	1,000,000
Kenneth Maiden	1,500,000	-	-	(500,000)	1,000,000	1,000,000
	3,750,000	-	-	(750,000)	3,000,000	3,000,000

2012	Balance at start of the year	Received during the year as share based payments	Exer-cised	Other changes*	Balance at the end of the year	Vested and exercisable
Qiang Chen	1,000,000	-	-	-	1,000,000	1,000,000
Andrew Skinner	1,500,000	-	-	(250,000)	1,250,000	1,250,000
Kenneth Maiden	1,500,000	-	-	-	1,500,000	1,500,000
	4,000,000	-	-	(250,000)	3,750,000	3,750,000

**Options expired not exercised*

NOTE 16: REMUNERATION OF AUDITORS

	Consolidated Group	
	2012 $	2012 $
Auditor to the parent company		
Auditing or reviewing the financial report	39,900	37,500
Other services:		
- taxation services	1,000	2,900
- corporare services	20,000	-
	60,900	40,400

Notes to the Financial Statements

NOTE 17: CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

NOTE 18: COMMITMENTS

Non-cancellable operating leases

The Head Office lease is a non-cancellable lease of a three year term commencing 1 April 2012 with rent payable monthly in advance with an annual increase of 4%.

The car parking lease is for a twelve month term expring on 24 March 2014.

The Clermont property lease is a non-cancellable lease with a 12 month term expiring on 24 March 2014, with rent payable weekly in advance.

Non-cancellable operating leases contracted but not capitalised in the financial statements.

	Consolidated Group	
	2013	**2012**
	$	**$**
Payable less than one year	109,932	101,841
Payable greater than one year and less than five years	68,141	156,374
Minimum lease payments	178,073	258,215

Service agreement

The Company has entered into a service agreement with International Base Metals Limited (IBML) for a fixed term of fourteen months commencing on 1 March 2012 to provide IBML with equipment, premises, office services and the services of the staff of Zamia Resources Pty Ltd, a subsidiary of Zamia Metals Limited. The agreement also provides for the provision of IBML staff to Zamia Resources Pty Ltd. The service agreement was extended for a further twelve months on 1 March 2013.

As from 1 March 2013 the monthly management fee payable by IBML to Zamia Metals Limited under this agreement is $6,791 per month. The net value of these services provided to Zamia Resources Pty Ltd to International Base Metals Limited less personnel services proved by IBML to Zamia Resources Pty during the period from 1 July 2012 to 30 June 2013 was $142,679.

Exploration and development

	Consolidated Group	
	2013	**2012**
	$	**$**
Indicative exploration expense payable not later than one year *	1,295,000	1,416,212

*Budget agreed with the Queensland Department of Mining and Energy pending granting of current applications.

At the 30 June 2013, Gold Fields relinquished five of the nine tenements originally held under the Option and Joint Venture Agreement. After balance date Gold Fields relinquished one further tenement. Zamia is evaluating these tenements that have shortfalls in expenditure in order to decide whether further work is warranted or whether they should be relinquished. During the reporting period no penalties have or are expected to be incurred. At the 30 June 2013 the Company was endeavouring to make up expenditure shortfalls on some tenements. Expenditure shortfalls are expected to be made up in the following period and no penalties have or are expected to be incurred.

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity within the Group is Zamia Metals Limited.

(b) Subsidiaries

Interests in sbsidiaries are set out in Note 20.

(c) Key management personnel

Transactions and disclosures in relation to key management personnel are set out in Note 15 and on pages 26-27 of the Directors' Report.

Notes to the Financial Statements

NOTE 19: RELATED PARTY TRANSACTIONS (continued)

(e) Outstanding balances arising from transactions with the Group

The Group includes the ultimate parent entity and its wholly owned subsidiary Zamia Resources Pty Ltd. The ultimate parent entity in the Group is Zamia Metals Limited. At 30 June 2012 $14,689,116 owing by the controlled entity to the Parent was impaired with $990,000 provisioned for impairment in the books of the Parent in the 2013 financial year and $13,689,116 in previous financial years.

(f) Service agreement

As disclosed in Note 18 Zamia Metals Limited has entered into a service agreement with International Base Metals Limited (IBML) to provide equipment, premises and office services to IBML and for Zamia Metals Limited to provide the services of its personnel employed by Zamia Resources Pty Ltd to International Base Metals Limited for a fixed terms of three years commencing on 1 March 2012. The service fee payable was revised on 1 March 2013.

Zamia Metals Limited Directors Ken Maiden, Alan Humphris and Qiang Chen are also Directors of International Base Metals Limited.

Aggregate amounts of each of the above types of transaction with related parties of the Group not including key management personnel:

	Consolidated entity	
	2013	**2012**
	$	**$**
Amounts recognised as expense – geologist consulting fee (1)	17,068	116,635
Amounts recognised as a non-current assets – purchase of equipment	-	30,335
Amounts recognised as income – service fees (2)	142,679	33,268
Outstanding balances at the reporting date in relation to transactions with related parties:		
Amounts owing to a related party IBML for geologist consulting (1)	7,483	1,656

1. Consulting geologist fee billed by IBML to Zamia Resources for the services of IBML employee Dr Ken Maiden.
2. Gross service fee commitment as per the agreement for Zamia Metals Limited to supply office facilities to International Base Metals Limited (IBML) commencing on 1 March 2012 to which has been added a claim by Zamia Metals Limited for service hours provided by its employees to IBML. (Refer Note 18.)

NOTE 20: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(c).

Name of entity	Country of Incorporation	Class of Shares	Ownership Interest	
			2013	**2012**
Parent entity				
Zamia Metals Limited	Australia	Ordinary	100%	100%
Controlled entity				
Zamia Resources Pty Ltd	Australia	Ordinary	100%	100%

NOTE 21: PARENT ENTITY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards:

	Parent Entity	
	2013	**2012**
	$	**$**
Current assets	935,366	469,444
Total assets	1,024,099	561,359
Current liabilities	115,957	87,112
Total liabilities	115,957	87,112
Shareholders' equity		
Contributed equity	21,032,301	19,040,669
Reserves		
Option reserve	2,120,776	2,091.019
General reserve	195,703	195,703
Retained losses	(22,440,638)	(20,853,144)
Total equity	908,142	474,247
Loss for the year	(1,587,494)	(3,051,999)
Total comprehensive income	(1,587,494)	(3,051,999)

Notes to the Financial Statements

NOTE 22: SUBSEQUENT EVENTS

On 19 July 2013 Gold Fields relinquished its right on a further tenement and now retains three tenements under the Option and JV agreement.

On 23 July 2013 the Company's offer to eligible shareholders to participate in the 2013 Share Purchase Plan (SPP) closed and raised $98,500. The Company issued 15,414,698 shares at $0.639 cents per share to shareholders who subscribed for shares under the SPP. A further $10,000 was raised by a small placement out of the SPP shortfall.

Apart from the above items, there are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 23: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2013 $	2012 $
(Loss) from ordinary activities after income tax	(1,457,249)	(2,992,560)
Add/(less) non-cash items:		
- Depreciation and amortisation	34,412	26,436
- Loss on disposal of plant and equipment for no value	10,524	-
- Option expense	29,757	-
- Accrued interest income	(789)	-
- Accrued interest on loan	36,734	22,078
Changes in assets and liabilities		
(Increase)/decrease in other current assets	(4,069)	82,024
Increase /(decrease)/in payables	1,096	(341,749)
Increase/(decrease) in employee entitlements	18,204	(13,105)
Net cash used in operating activities	(1,331,880)	(3,216,876)

Non-cash Financing and Investing Activities

On 22 January 2013, a loan of $0.5 million to the Company by Brownstone, a major shareholder, was repaid with accrued interest by the issue of 17,294,978 ordinary shares in the Company at 0.03 cents per share. The issue of shares was approved by shareholders at the Company's 2012 AGM.

On 25 June 2013 following the approval of shareholders at the an EGM held on 18 June, 2013 a loan of $800,000 provided by Brownstone International Pty Limited, was repaid (together with interest accrued) by the issue of 115,195,061 ordinary shares of the Company at an issue price of $0.0071 per share in accordance with the loan agreement.

NOTE 24: EARNINGS PER SHARE

	2013 cents per Share	2012 cents per Share
Basic and diluted earnings per share	(0.56)	(0.10)

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:-

	Consolidated Group	
	2013 $	2012 $
Earnings (i)	(1,457,249)	(2,992,560)
	No.	No
Weighted average number of ordinary share	260,958,003	235,668,094

(i) Earnings used in the calculation of basic and diluted earnings per share are net profit after tax attributable to members of the parent entity as per the statement of comprehensive income.

Notes to the Financial Statements

NOTE 25: SHARE-BASED PAYMENTS

Share-based payments

Options have been issued to Directors and Key Management Personnel as part of their remuneration with options granted for no consideration. 4,223,744 options have been issued in the current reporting year to a major shareholder in conjunction with a share placement. Options granted are not listed and carry no dividend or voting rights. When exercisable each option is convertible into one ordinary share.

15,300,000 options lapsed in the 2013 financial year.

Set out below is a summary of unexpired and unexercised options granted in the current and previous reporting years:

					Number		
Grant date	**Expiry date**	**Exercise Price**	**Balance at start of Year**	**Issued during the year**	**Expired during the year**	**Balance at end of Year**	**Date vested and exercisable at end of year**
2013							
18 Dec'07	18 Dec'12	$0.20	1,700,000	-	1,700,000	-	-
18 Jun'08	18 Jun'13	$0.25	400,000	-	400,000	-	-
27 Jun'08	27 Jun'13	$0.25	4,200,000	-	4,200,000	-	-
27 Jun'08	27 Jun'13	$0.40	4,000,000	-	4,000,000	-	-
18 Dec'08	17 Dec'13	$0.15	5,000,000	-	-	5,000,000	5,000,000
16 Feb'12	30 Jan'14	$0.105	7,142,856	-	-	7,142,856	7,142,856
23 Jan'13	23 Jan'15	$0.03	-	4,323,744	-	4,323,744	4,323,744
			22,442,856	**4,323,744**	**10,300,000**	**16,466,600**	**16,466,600**
Weighted average exercise price			$0.20	$0.03	$0.30	$0.10	$0.10

The weighted average remaining contractual life of share options outstanding at 30 June 2013 2.62 years (2012: 3.17 years)

					Number		
Grant date	**Expiry date**	**Exercise Price**	**Balance at start of Year**	**Issued during the year**	**Expired during the year**	**Balance at end of Year**	**Date vested and exercisable at end of year**
2012							
26 Oct'06	30 Sep'11	$0.25	2,500,000	-	(2,500,000)	-	-
5 Jan'07	30 Sep'11	$0.20	3,000,000	-	(3,000,000)	-	-
18 Dec'07	18 Dec'12	$0.20	1,700,000	-	-	1,700,000	1,700,000
18 Jun'08	18 Jun'13	$0.25	400,000	-	-	400,000	400,000
27 Jun'08	27 Jun'13	$0.25	4,200,000	-	-	4,200,000	4,200,000
27 Jun'08	27 Jun'13	$0.40	4,000,000	-	-	4,000,000	4,000,000
18 Dec'08	17 Dec'13	$0.15	5,000,000	-	-	5,000,000	5,000,000
16 Feb'12	30 Jan'14	$0.105	-	7,142,856		7,142,856	7,142,856
			20,800,000	**7,142,856**	**(5,500,000)**	**22,442,856**	**22,442,856**
Weighted average exercise price			$0.24	$0.105	$0.22	$0.20	$0.20

The weighted average remaining contractual life of share options outstanding at 30 June 2013 was 3.17 years (2011: 3.17 years)

NOTE 26: COMPANY DETAILS

Registered office and principal place of business

Zamia Metals Limited
Suite 60, Level 6, Tower Building
47-53 Neridah Street
Chatswood NSW 2067, Australia

Shareholder Information

Statement of quoted securities as at 20 August 2013

- There are 983 shareholders holding a total of 475,171,761 ordinary fully paid shares on issue by the Company.
- The twenty largest shareholders between them hold 81.44% of the total issued shares on issue.

  The voting rights attaching to the ordinary shares are that a member shall be entitled either personally or by proxy or by attorney or by representative to be present at any general meeting of the Company and to vote on any question on a show of hands and upon a poll and to be reckoned in a quorum.

Distribution of quoted securities as at 20 August 2013

Ordinary fully paid shares

Range of Holding		Number of Holders
1 -	1,000	66
1,001 -	5,000	86
5,001 -	10,000	141
10,001 -	100,000	487
100,001 -	and over	203
	Total holders	**983**

Substantial shareholdings as at 20 August 2013 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Brownstone International Pty Ltd	183,290,668	38.574
China Kings Industry Pty Ltd	35,913,448	7.558
West Minerals Pty Limited	17,409,091	3.664
International Base Metals Limited	13,593,875	2.861

On-market buy-backs

There is no on-market buy back currently in place in relation to the securities of the company.

Restricted unquoted securities

There are no unquoted restricted securities.

Shareholder Information

Top Twenty Shareholders 2013

	Holder name	Number of ordinary fully paid listed shares held	% of total ordinary shares on issue
1	BROWNSTONE INTERNATIONAL PTY LTD	183,290,668	38.574
2	MRS LI ZHOU	76,136,821	16.023
3	CHINA KINGS INDUSTRY PTY LTD	35,913,448	7.558
4	WEST MINERALS PTY LIMITED	17,409,091	3.664
5	INTERNATIONAL BASE METALS LIMITED	13,593,875	2.861
6	MR HAITAO GENG	9,107,143	1.917
7	MR JINIU DENG	8,571,428	1.804
8	GREAT SEA WAVE INVESTMENT PTY LTD	6,545,455	1.377
9	MR SALVATORE DI VINCENZO	5,437,891	1.144
10	MANICITI PTE LTD	4,703,832	0.990
11	CITI RESOURCES CO LTD	4,000,000	0.842
12	QINGHAI GENLID MINING INVESTMENT & MANAGEMENT CO LTD	4,000,000	0.842
13	BARJAYE PTY LIMITED <HSBR SUPER FUND NO 3 A/C>	3,183,091	0.670
14	CITICORP NOMINEES PTY LIMITED	3,140,467	0.661
15	MR PHILIP MAXWELL SMITH & MRS SONYA CHRISTINE SMITH	2,421,167	0.510
16	SUCCESS INVESTMENTS PTY LTD	2,389,085	0.503
17	MR KENNETH JOHN MAIDEN & MS MARGARET FRANCIS HAYES <MAIDEN FAMILY SUPER FUND A/C>	1,974,191	0.415
18	MR JOSEPH AUGUSTINE FERRAZ & MRS MARIA JOAQUINA FERRAZ	1,875,450	0.395
19	ZAPPO PTY LTD <ZAPPO P/L SUPER FUND A/C>	1,706,472	0.359
20	GUOCHENG LI	1,564,945	0.329
	TOTAL HELD BY TOP TWENTY SHAREHOLDERS	**386,964,520**	**81.438**

www.zamia.com.au

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