



**ZAMIA METALS LIMITED**  
**QUARTERLY ACTIVITIES REPORT**  
**For the quarter ended 30 June 2013**

**KEY POINTS**

- In a release to the ASX on 12 June 2013, Zamia Metals Limited ('Zamia') provided an update of its exploration activities including the ongoing commitment to gold and base metal exploration in the Clermont region of central Queensland.
- Exploration activities by Zamia during the quarter were focussed on epithermal gold targets in Exploration Permit for Minerals ('EPM') 17703, which lies adjacent to the former Twin Hills gold mine.
- Gold Fields Australasia Pty Ltd ('Gold Fields') continued to assess six tenements covered by the Zamia and Gold Fields Option and Joint Venture Agreement. Gold Fields has selected four of these tenements for more detailed exploration.

**ZAMIA'S REGIONAL EXPLORATION**

During the quarter, Zamia's exploration activities focussed on EPM 17703 ('Disney') where field mapping had highlighted the potential of the *Bendee* and *West Microwave Tower* ('WMT') gold prospects. These are epithermal-style targets located within the Silver Hills Volcanics, the basal unit of the Drummond Basin sequence.

Soil geochemical surveys extended the soil sampling programs carried out in late 2012, resulting in a total area of 25 km<sup>2</sup> having been surveyed over the middle portion of EPM 17703 (see Figure 1).

At the WMT grid, the program comprised conventional B-horizon soil sampling with a 50m x 50m sample spacing. A total of 216 samples were collected and analysed for 14 elements comprising precious and base metals, as well as pathfinder elements.

The analytical results show subtle anomalies in the northern part of the grid, directly over the WMT prospect. These results, with a peak of 7 parts per billion ('ppb') Au, confirm the elevated gold concentrations determined by past explorers. Geological appraisal did not indicate any structures suitable for hosting gold mineralisation nor any mineral alteration halos indicative of significant hydrothermal activity.

Regionally, a broader sample spacing of 200m x 200m was selected to cover a larger area of approximately 3 km x 6 km, extending 6 km to the south from the WMT prospect (see Figure 1). A total of 443 samples were collected; analytical results are pending. The sampled area includes the *Bendee* prospect, where jigsaw breccias (see Figure 2) suggest an extensional deformation regime with dilation along lithological contacts.



Figure 1. Soil geochemical grids in EPM 17703 and adjacent tenements

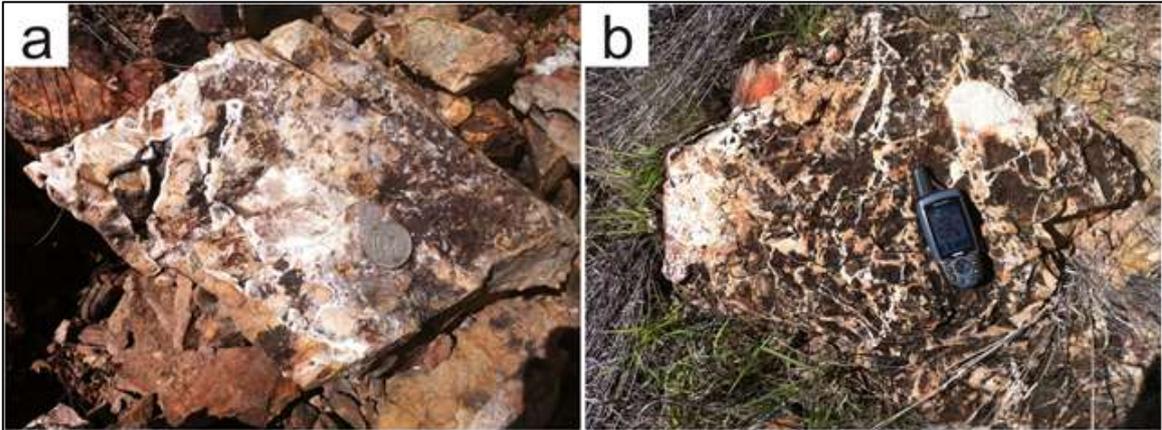


Figure 2. Outcrop at Bendee prospect: (a) brecciated tuff, (b) jig-saw breccia

In the south of the tenement area, a regional-scale (200m x 100m sample spacing) soil geochemical program, covering an area of 5 km x 10 km, commenced in early July. 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.

**ANTHONY PROJECT (EPM 1545)**

The completion of drill core logging and data-base compilation has been followed by construction of geological sections and correlation of lithological units, as steps in developing a comprehensive geological model of the Anthony system.

This will not only guide exploration in the vicinity of the Anthony deposit but will also assist in evaluating the regional potential for intrusion-related gold and porphyry-style copper-gold deposits.

**GOLD FIELDS OPTION AND JOINT VENTURE AGREEMENT**

Under the terms of the Option and Joint Venture Agreement, Gold Fields may select up to three EPMs during an initial 18-month period up to January 2014. Gold Fields can earn a 51% interest in the selected tenements during the First Option Period.

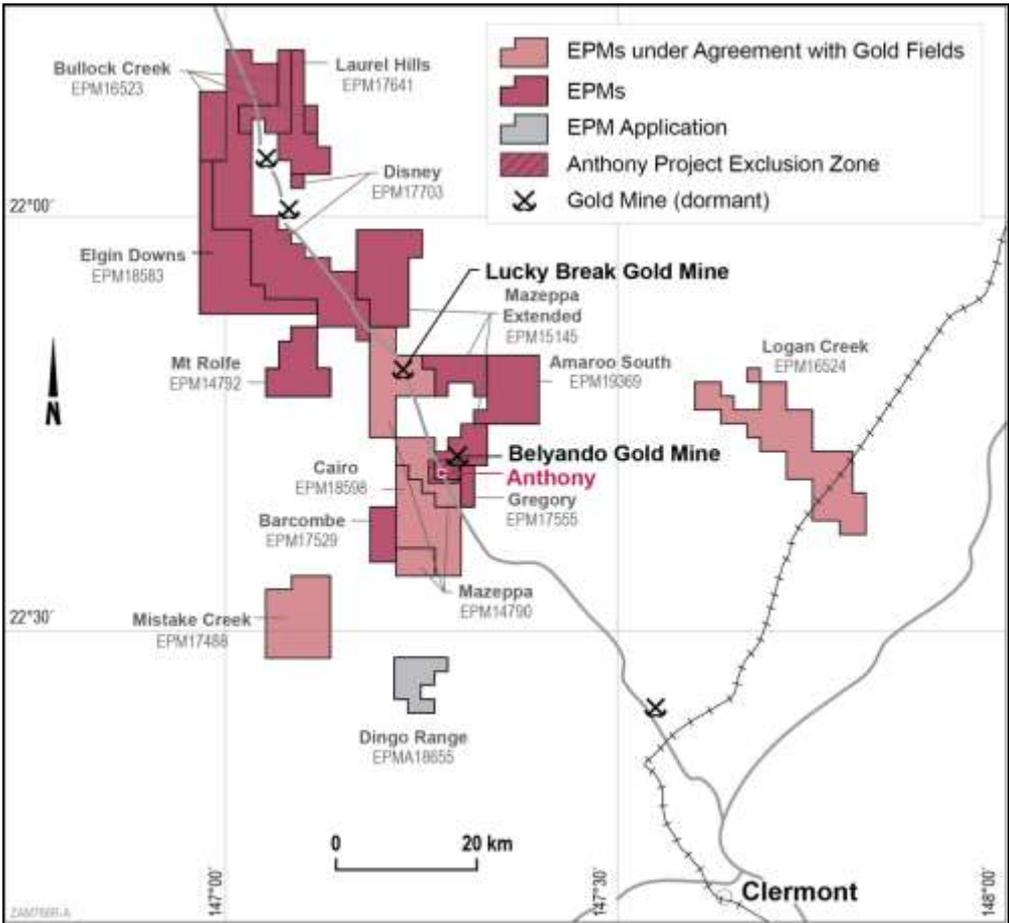


Figure 3. Zamia’s tenement package showing the EPMs covered by the Gold Fields Option and Joint Venture Agreement at the end of June 2013

During the quarter, Gold Fields continued its appraisal of six tenements and, in June 2013, selected four EPMs for detailed follow-up work: EPM 14790 ('Mazeppa'), EPM 16523 ('Mistake Creek'), EPM 16524 ('Logan Creek') and EPM 18598 ('Cairo') which are illustrated in Figure 3.

## **CORPORATE ACTIVITIES**

Zamia Metals Limited held an Extraordinary General Meeting ('EGM') on 18 June 2013 to consider for approval, the following items;

- the ratification of a prior issue of shares made on 2 December 2012 to Brownstone International Pty Limited ('Brownstone');
- authorise the Company for the purposes of Listing Rule 7.1 to issue up to 60 million shares to sophisticated or professional investors;
- the proposed issue of shares to Brownstone as repayment for a loan provided by Brownstone to the Company.

All three resolutions relevant to these items were considered and approved at the EGM.

On 18 June 2013 the Company announced the offer to shareholders to participate in a Share Purchase Plan ('SPP') under which the issue price of shares was set at 0.639 cents per share.

The Company entered into a Subscription Agreement with Mrs Li Zhou, who is a professional investor and an existing shareholder, for a placement of shares for the subscription amount of \$500,000. On 28 June 2013, 70,422,535 fully paid ordinary shares at an issue price of 0.71 cents per share were issued pursuant to this agreement.

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### **Competent Person**

Dr Ken Maiden, MAIG FAusIMM, a Director of Zamia Metals Limited, compiled the geological technical aspects of this report. He has sufficient experience to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality.