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ASSESSMENT OF GOLD POTENTIAL – BELYANDO GOLD MINE

Highlights

- On the 28 May 2014, Zamia Metals Limited, ('Zamia') announced that the Belyando Gold Mine ('Belyando') had become part of Zamia's tenement portfolio.
- Zamia has now digitised existing drilling data and produced new drill plans and sections which outline:
 - intercepts of up to 36m ('m') length (down-hole) at averages above 0.5 parts per-million ('ppm') or grams per ton ('g/t') gold below the current open pit
 - intercepts of up to 16m length averaging above 2 ppm gold by drill holes below the pit
 - further promising intercepts from drill holes sampling ground lateral to the open cut
- The reported drill data indicates that gold mineralisation at grades of 0.5 to 3 ppm continues underneath the Belyando open cut and, dipping steeply to the north-northeast (NNE).
- Mineralisation is not constrained at depth and the potential exists for further near-surface mineralisation, in particular to the south of the current limit of drilling.
- The reported drilling data is insufficient to estimate the remaining resource for the Belyando project, however, potential exists to significantly extend the original gold resource at the project, both down dip and laterally.
- The sulphide and oxide ore were successfully treated by heap-and dump-leach processing, with the average gold extraction exceeding 72%.
- In the second half of 2014, Zamia plans to conduct RC percussion and/or diamond drilling at the Belyando site.

Background

Belyando is located about 2.5 km northeast of Zamia's Anthony molybdenum project. The mine was established and operated by Ross Mining from 1989 to 1993. In May 2014 it was officially confirmed that the Mining Lease ('ML 2312') that had covered the abandoned open-cut mining operation was cancelled by the Department of Natural Resources and Mines. This area now falls within Zamia's surrounding exploration tenement, EPM 15145 - Mazeppa Extended. Further details were disclosed by Zamia on 28 May 2014 (ASX: ZGM 28 May 2014).



Figure 1. Satellite image showing the Belyando Gold Mine during the wet season (Image © 2014 Digital Globe, GeoEye Earthstar Geographics SIO & Microsoft Corporation). Coordinates given are MGA94, Zone 55S.

In order to assess the potential for remaining mineralisation outside and below the current open pit, Zamia has digitised existing drilling data produced by Menzies Gold N.L. (1986-87) and Ross Mining (1988), available through the Queensland Digital Exploration (QDEX) reports system. Using a combination of published mine information (Mustard, 1998) and publicly available remote sensing data (Microsoft BING satellite image, NASA SRTM elevation data), Zamia has produced new drill plans and sections, showing the existing drilling in relation to the current pit (see pages 5-7). Details of data, sources and techniques used to produce the plans and sections are given in Table 1 (attached).

Assessment of Gold Potential

Gold mineralisation at Belyando occurs in up to three sub-parallel planar lodes hosted within and along a lozenge-shaped body of strongly silicified schist, approximately 250 by 100m wide near surface (Mustard, 1998). Ore from the >1.8 ppm lodes and surrounding material grading >0.5 ppm was successfully treated in a local heap- and dump-leach operation with the average gold extraction exceeding 72% (Mustard, 1998). The host body and mineralisation are interpreted to dip steeply to the NNE and plunge to the northwest (NW). Exploration and resource drill holes have been mainly drilled plunging 60 degrees to the south-southwest (SSW), i.e. perpendicular to the perceived dip of mineralisation.

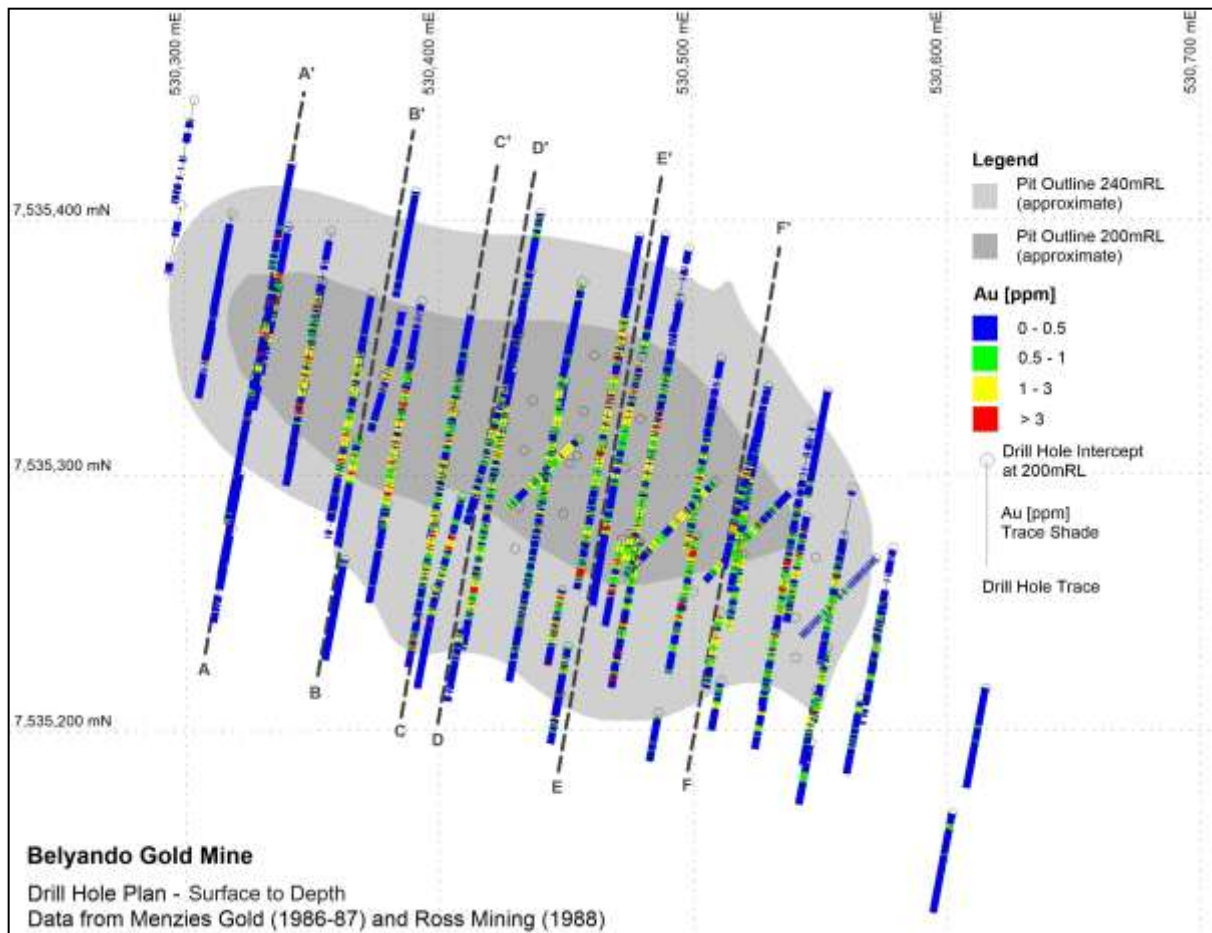


Figure 2. Drill plan showing pre-mining drilling data in relation to the Belyando open cut, top and bottom level. Coordinates given are MGA94, Zone 55S.

The drill hole plan (Figure 2) illustrates that pre-mining drilling has constrained gold mineralisation well to the west and north (near surface), while intermittent gold intercepts larger than 0.5 ppm persist within drill holes delineating mineralisation in the east and south (at depth). To investigate the presence of gold mineralisation below the bottom level of the current mine pit, i.e. approximately 200m above sea level (mRL), Zamia has produced a modified drill plan which removes the drill data above this level (Figure 3).

The modified drill plan shows that compared to the total volume of drilling, relatively few drill holes tested the ground below the pit. Six vertical drill sections were constructed through the areas showing the most coverage below the maximum depth of mining (Figures 4 to 9 attached). Significant gold intersections occurring below the pit are given as averages.

The drill sections show that intercepts of up to 36m length (down-hole) at averages above 0.5 ppm gold, as well as intercepts of up to 16m averaging above 2 ppm gold have been intersected below the current open pit (Figures 4 and 5 attached). Further promising intercepts are reported from drill holes lateral to the open cut (Figures 6 and 9 attached).

In summary, the reported drill data indicates that gold mineralisation at grades of 0.5 to 3 ppm continues underneath the Belyando open cut and, broadly following the steep NNE dip and NW plunge defined by previous mining. Furthermore, the current drilling information does not constrain

the extent of mineralisation at depth or the potential for further near-surface mineralisation, in particular to the south of the current limit of drilling.

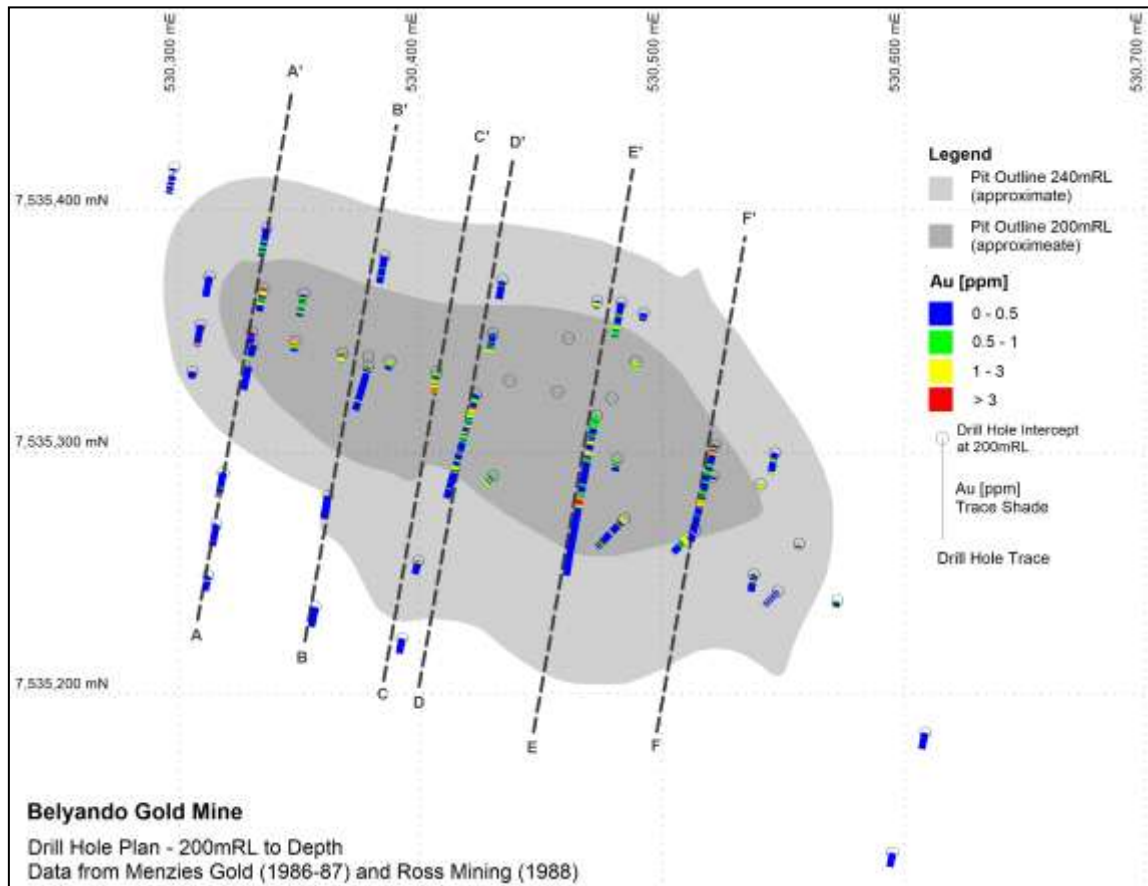


Figure 3. Drill plan showing drilling data below the bottom level of the Belyando pit (i.e. 200 mRL). Stippled lines indicate traces of vertical sections shown in Figures 4 to 9 attached. Coordinates given are MGA94, Zone 55S.

While the reported drilling data is insufficient to estimate the remaining resource for the Belyando project at this time, Zamia is satisfied that potential exists to significantly extend the original gold resource at the project, both down dip and laterally.

In the second half of 2014, Zamia plans to conduct RC percussion and/or diamond drilling at the Belyando site.

Richard Keevers
Chairman, Zamia Metals Limited

Attachments – 9 pages

Competent Person

Mr Richard Keevers, MAIG FAusIMM, Chairman and 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 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Keevers consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality.

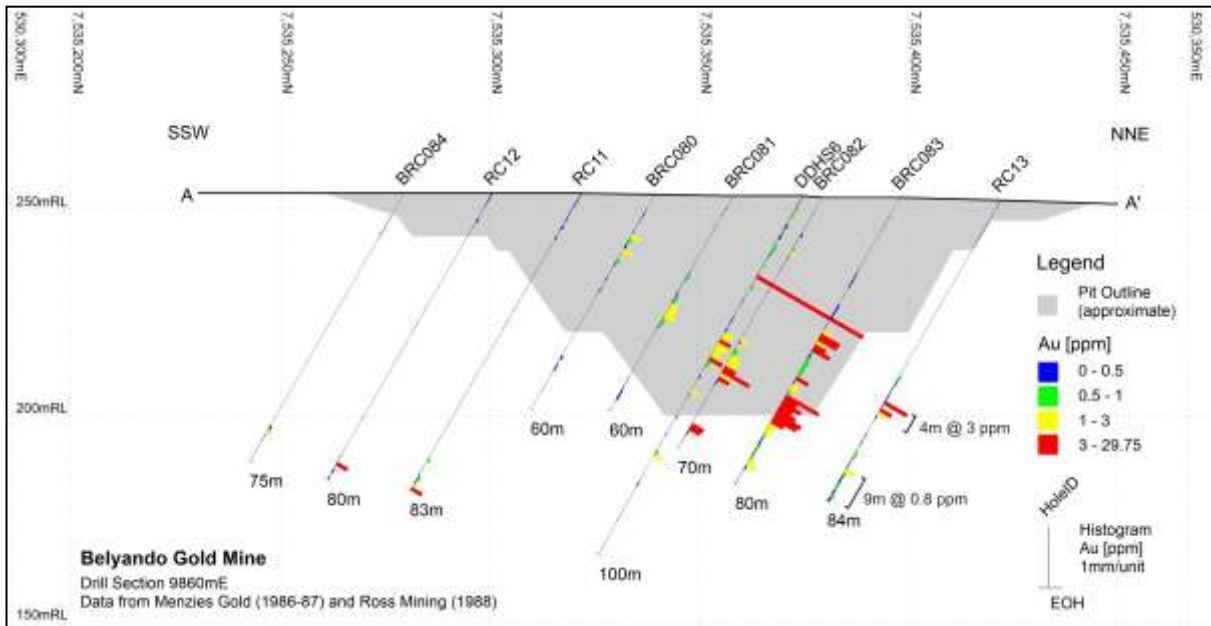


Figure 4. Drill section through the Belyando gold deposit at 9860mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S.

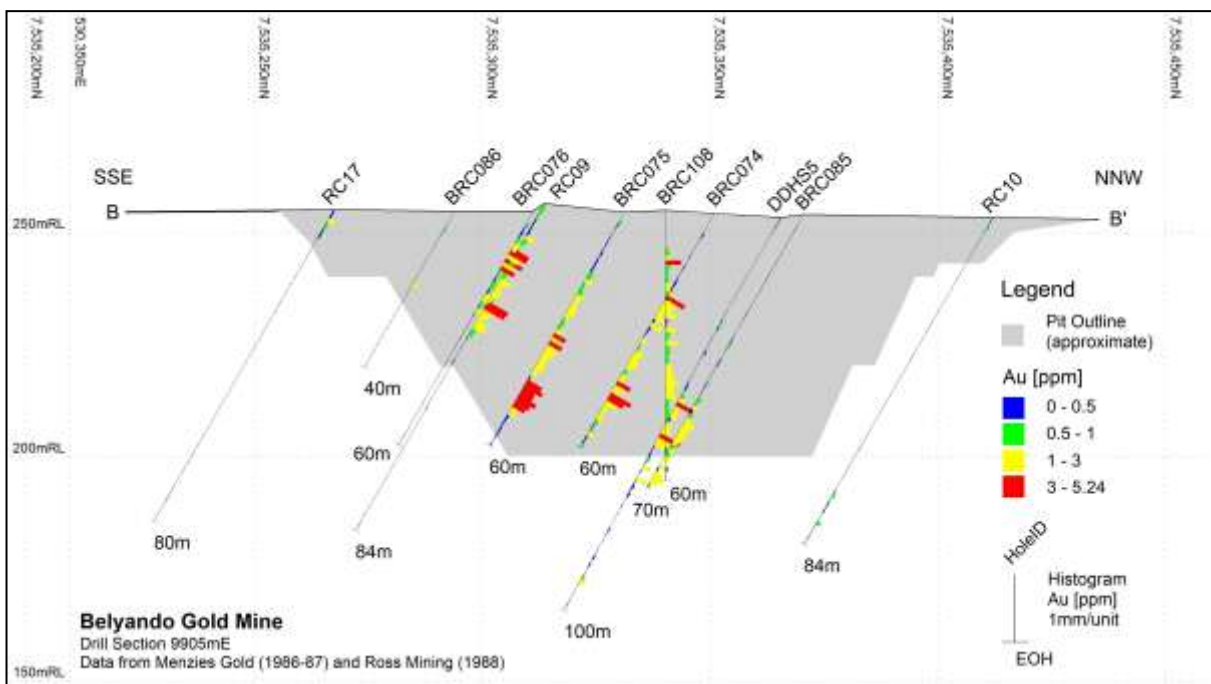


Figure 5. Drill section through the Belyando gold deposit at 9905mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S.

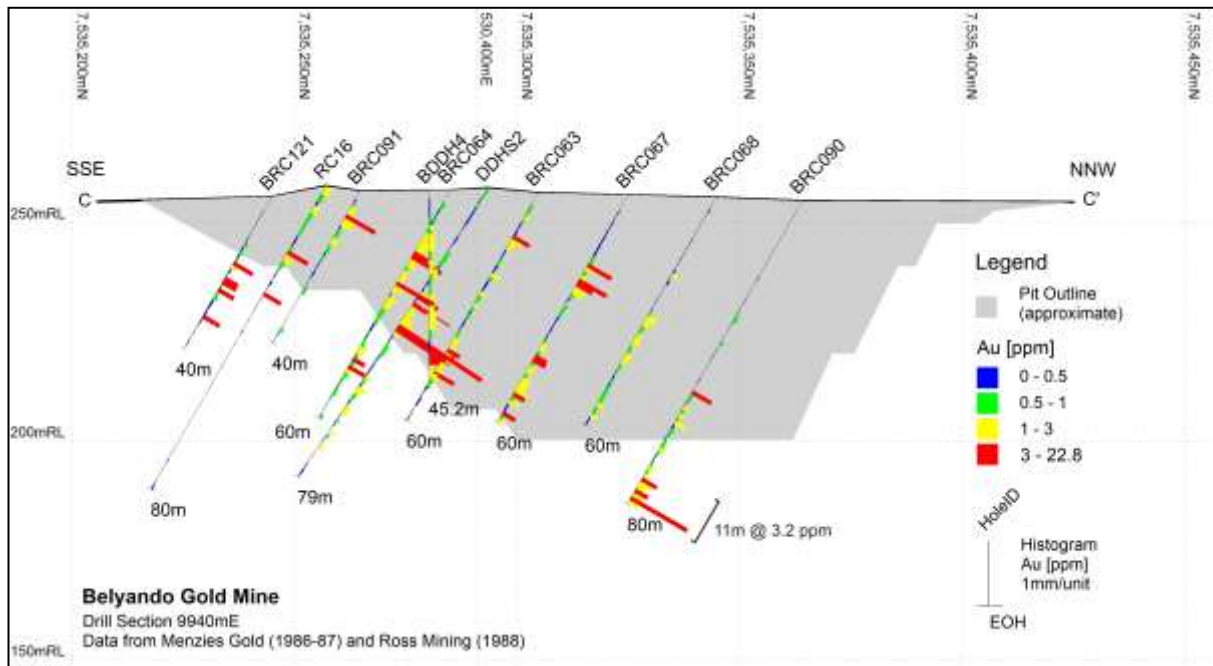


Figure 6. Drill section through the Belyando gold deposit at 9940mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S.

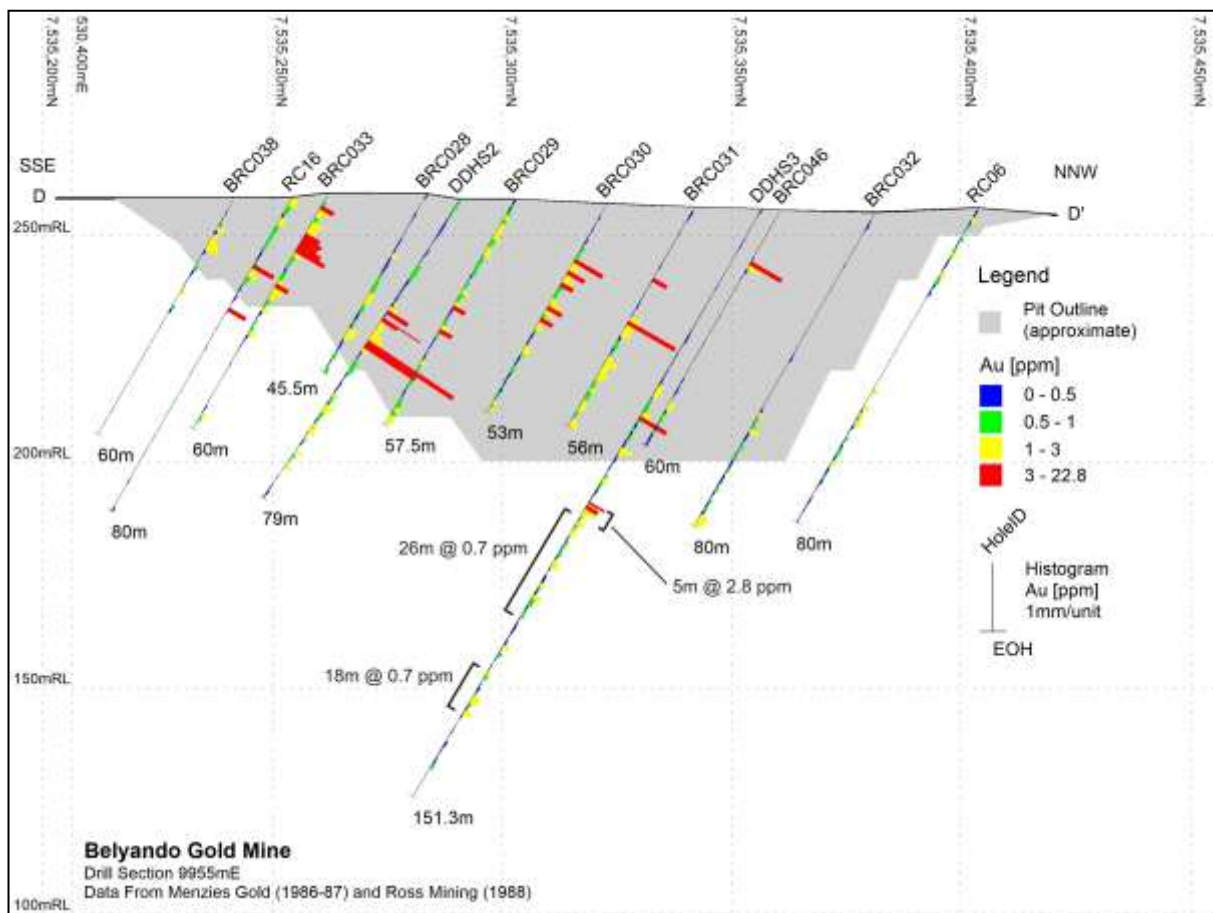


Figure 7. Drill section through the Belyando gold deposit at 9955mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S.

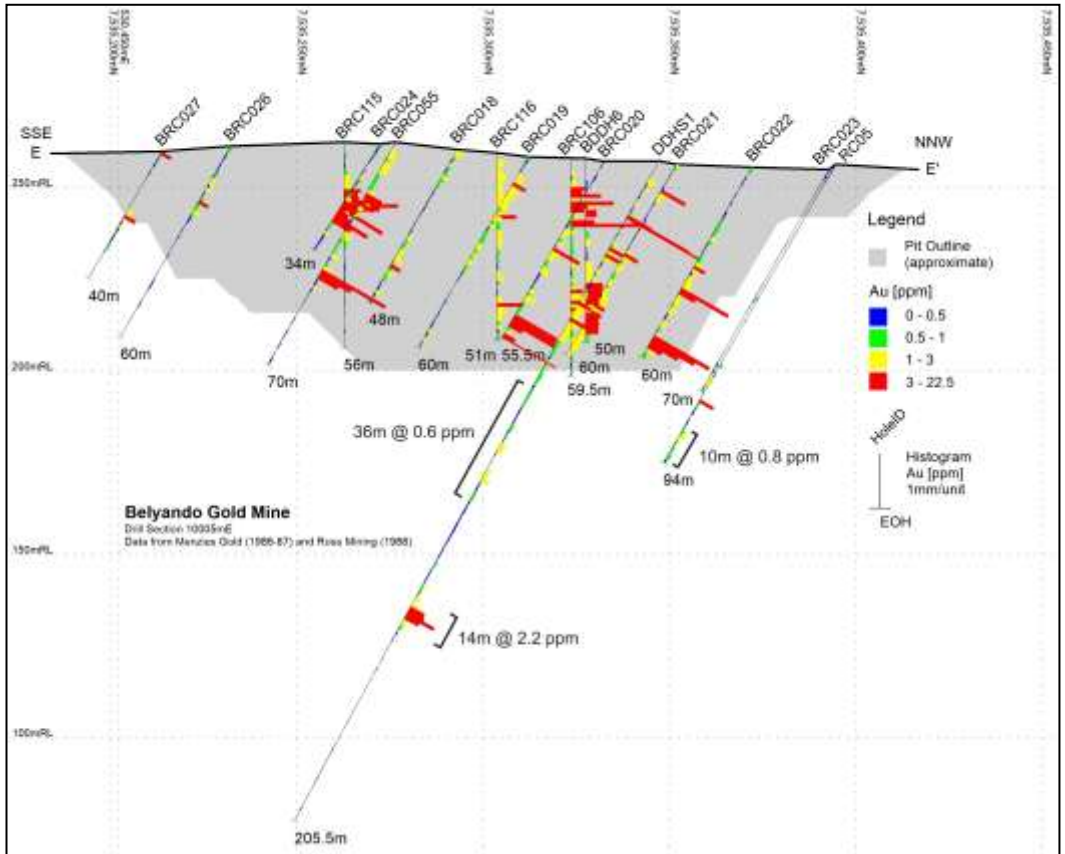


Figure 8. Drill section through the Belyando gold deposit at 10005mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S

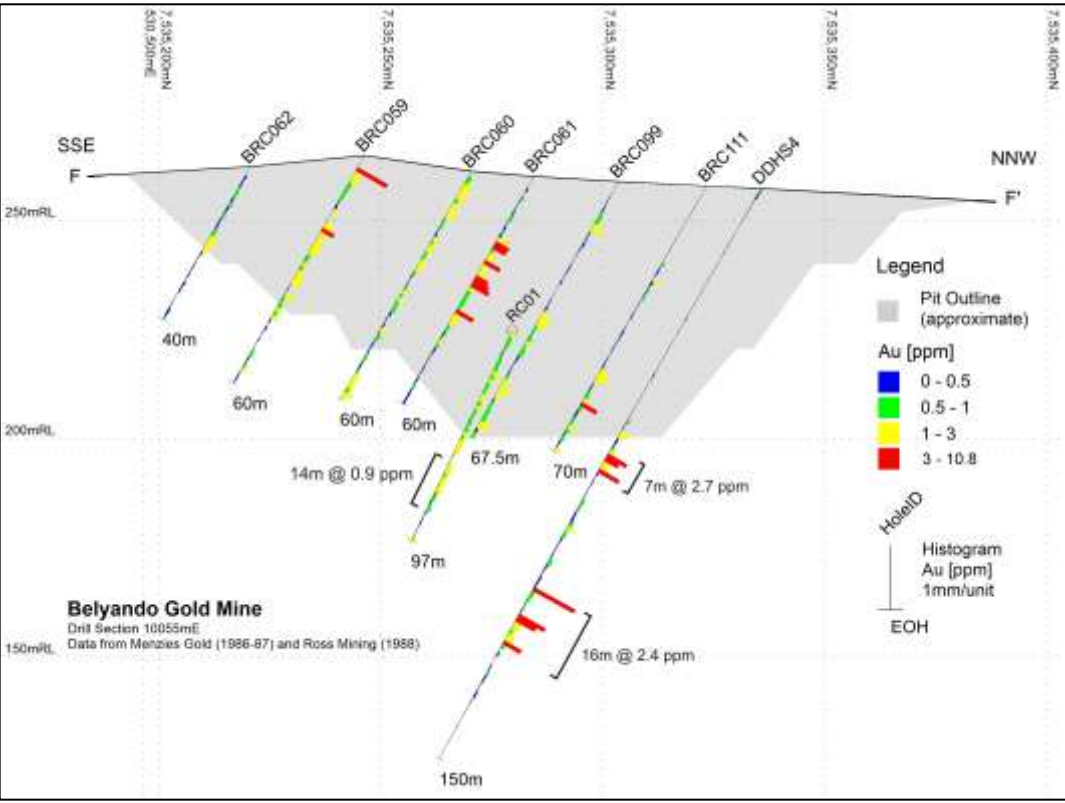


Figure 9. Drill section through the Belyando gold deposit at 10055mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Coordinates given are MGA94, Zone 55S

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> • The analysis presented in the release uses historic data from 142 RC percussion and diamond drilling holes, as reported to the Queensland Mines Department and filed under QDEX company reports: <ul style="list-style-type: none"> ○ Mustard, H.M., 1987: Authority to Prospect 4165M Hill 266 Annual Report Covering Period 28 December 1986 – 27 December 1987. Menzies Gold N.L., QDEX Company Report 18248 ○ Lawton, J.J., 1988a: Authority to Prospect 4165M Hill 266 Six Monthly Progress Report for the Period Ending June 27, 1988. Ross Mining N.L., QDEX Company Report 18140 ○ Lawton, J.J., 1988b: Authority to Prospect 4165M Hill 266 Six Monthly Progress Report for the Period Ending December 27, 1988. Ross Mining N.L., QDEX Company Report 19642 • Additional information on the geology of the Belyando deposit and the geometry of the open pit has been obtained from: <ul style="list-style-type: none"> ○ Mustard, R., 1998: Belyando gold deposit, in Berkman, D.A., and Mackenzie, D.H. (Eds.): Geology of Australian and Papua New Guinean Mineral Deposits, pp 707-714, The Australian Institute of Mining and Metallurgy, Melbourne • Given the nature of historic data reviews, a number of industry standard sampling and assaying techniques were used, details of which are given in the respective Company Reports. Both companies in question have enjoyed an excellent industry-wide reputation.
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • A combination of RC percussion (5.5 inch hammer) and conventional wire-line diamond drilling (NQ and TT56 core) was used to obtain the samples reported.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative 	<ul style="list-style-type: none"> • Not known.

Criteria	JORC Code explanation	Commentary
	<p><i>nature of the samples.</i></p> <ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • The majority of drilling used for this analysis features geological logging and sampling on a 1-metre basis. • In general logging is qualitative for RC drilling while diamond logs contain some quantitative information. • More than 90%
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Details of the sampling procedure are generally not known.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Analytical methods are generally not reported, but given the level of detection, it is assumed that fire assays were used for all gold concentrations given. Menzies Gold assayed for gold and arsenic, while Ross Mining assayed for gold only. Ross Mining assays were produced by Pilbara Laboratories Townsville. • No geophysical data has been used to prepare this report. • Quality procedures employed are not known in detail. The available data indicates that Ross Mining used duplicate RC samples for quality control.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification,</i> 	<ul style="list-style-type: none"> • No details on independent verification of assays are known. • No information on twinned holes is available. • Some of the assay data used for this release has been digitized from scans of the original laboratory certificates

Criteria	JORC Code explanation	Commentary
	<p><i>data storage (physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No adjustments have been made to the reported assay data.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • All drill collars were originally located on a theodolite-based local project grid. Down-hole surveys were conducted for selected diamond dill holes only. • Local grid locations were migrated to global coordinates by Geo-referencing of topographic project maps to current BING map service satellite imagery of the Belyando mine site. Accuracy of the migration, based on average distortion of the original grid, is $\pm 4m$.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Resource drilling on the Belyando project has been conducted by Ross Mining N.L. on a 20m grid spacing. • No Mineral Resources or Ore Reserves are reported in this release. • It is not known whether sample compositing has been applied to the minority of drill samples not assayed on am-by-metre basis.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The majority of drill holes used for this release have been drilled semi-perpendicular to the known strike of mineralised features, as reported by Mustard (1998). Hence we assume that no significant bias has been introduced by the direction of the reported drilling and sampling.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Not known.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Details about potential audits or reviews of the original sampling techniques and data cited in this release are not known..

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> 	<ul style="list-style-type: none"> • As previously reported by Zamia (ASX: ZGM 28 May 2014), the mining lease ML 2312 covering the Belyando Gold Mine was canceled by the Queensland Department of Natural Resources and Mines in November 2013. In May 2014, Zamia was advised by the Department that the area containing the

Criteria	JORC Code explanation	Commentary
<i>status</i>	<ul style="list-style-type: none"> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<p>Belyando mine could now be considered part of Zamia's underlying exploration tenement, EPM 15145.</p> <ul style="list-style-type: none"> EPM 15145 – Mazeppa Extended, is held (100%) by Zamia Resources Pty Ltd. No known issues impeding on the security of the Zamia's tenure or ability to operate in the area exist.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The Belyando Project was discovered Australian Consolidated Minerals Ltd in 1985. All data presented in this release has been created by Menzies Gold NL (1986-87) and Ross Mining NL (1988) and is directly cited from exploration progress reports to the Queensland Mines Department.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Belyando gold deposit has been classified as a vein-hosted, intrusion-related gold deposit by previous works (Mustard, 1998).
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level inm) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> The plans and sections presented in this release are based on data from 142 drill holes detailed in the following company reports: <ul style="list-style-type: none"> Mustard, H.M., 1987: Authority to Prospect 4165M Hill 266 Annual Report Covering Period 28 December 1986 – 27 December 1987. Menzies Gold N.L., QDEX Company Report 18248 Lawton, J.J., 1988a: Authority to Prospect 4165M Hill 266 Six Monthly Progress Report for the Period Ending June 27, 1988. Ross Mining N.L., QDEX Company Report 18140 Lawton, J.J., 1988b: Authority to Prospect 4165M Hill 266 Six Monthly Progress Report for the Period Ending December 27, 1988. Ross Mining N.L., QDEX Company Report 19642 <p>As the drill hole details for this data is already in the public domain, available through the QDEX report system of the Queensland Department of Mines, there is no necessity to repeat this information here. To gain access to the cited company reports, browse to:</p> <ul style="list-style-type: none"> http://www.dnrm.qld.gov.au/mapping-data/qdex-reports
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> 	<ul style="list-style-type: none"> All results were reported as provided in the source data. No truncations of high or low assay results was undertaken Where aggregate intercepts were reported (on drill sections), individual results were weighted by the length of the individual assay intercept. Care was taken to aggregate assays intercepts where individual sample values are of similar magnitude. Where high and low assays were aggregated, care was taken to avoid misrepresentation by high assays of narrow intersections

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> dominating the average values of aggregates. No metal equivalent values were reported in this release.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All reported intercepts and aggregates represent down-hole lengths. Drill holes are judged to be oriented sub-perpendicular to known mineralisation.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Refer to figures 2 to 9 in the report body. To relate the data from the historic drilling, recorded on local coordinates, with the current open pit, X, Y and Z coordinates of the drill holes were migrated to global coordinates (Map Grid of Australia 1994, Zone 55 South) using rubber-sheeting of topographic project maps to common features on current BING Map Service high-resolution satellite imagery. Accuracy of the migration of X and Y coordinates, based on average distortion of the original grid, is $\pm 4\text{m}$. Z coordinates of drill collars and pit levels were migrated by referencing of 20 locations, which are undisturbed by earthworks undertaken during operation of the mine, to elevation above sea level (RL) provided by the NASA SRTM digital elevation model. The principle topography of the pit and local elevations of the principle pit levels were taken from sections provided in: <ul style="list-style-type: none"> Mustard, R., 1998: Belyando gold deposit, in Berkman, D.A., and Mackenzie, D.H. (Eds.): Geology of Australian and Papua New Guinean Mineral Deposits, pp 707-714, The Australian Institute of Mining and Metallurgy, Melbourne Belyando pit shapes on plans and pit level intersections on drill sections were digitised from BING Map Service high-resolution satellite images. Pit shapes on drill sections represent best estimates of the true pit shapes in the absence of reliable pit plans and GPS coordinates.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> This release attempts to show a representative picture of the available historic drilling information. All sections showing significant volumes of drilling below the current level of mining have been shown. No preference has been given to sections showing potential economic intersections over

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<p>those that do not.</p> <ul style="list-style-type: none"> The data highlighted in this release focuses strongly on available historic drilling below the current level of mining at the Belyando Project. Other information both on the Belyando Gold Mine and other nearby exploration projects (e.g. Anthony Molybdenum Deposit) exist. This information is (1) too large in volume to be meaningfully summarised in the scope of this release or this table and (2) fully available to the public in the form of company exploration progress reports through the QDEX report system: <ul style="list-style-type: none"> http://www.dnrm.qld.gov.au/mapping-data/qdex-reports
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Planned work has been detailed in the release. Plans to test possible extensions at Belyando will be the subject of a future release, once they are fully formalised.