

31st January 2012
 Centralised Company Announcements Office
 ASX Limited
 Exchange Centre 20 Bridge Street
 Sydney NSW 2000

**ZAMIA METALS LIMITED QUARTERLY ACTIVITIES REPORT
 For the quarter ended 31 December 2011**

HIGHLIGHTS

- During the quarter, Zamia completed a diamond drilling program testing deeper extensions of existing Reverse Circulation (RC) holes (to 550m) at the Anthony molybdenum project. The new drilling results will be incorporated into a revised resource estimate planned to be released in February 2012.
- The Company is increasing its exploration focus on gold and copper targets with significant potential for large porphyry-type deposits within its tenements.
- Zamia holds an attractive tenement package and has been approached during the quarter by a number of major resource companies seeking joint ventures and strategic alliances.

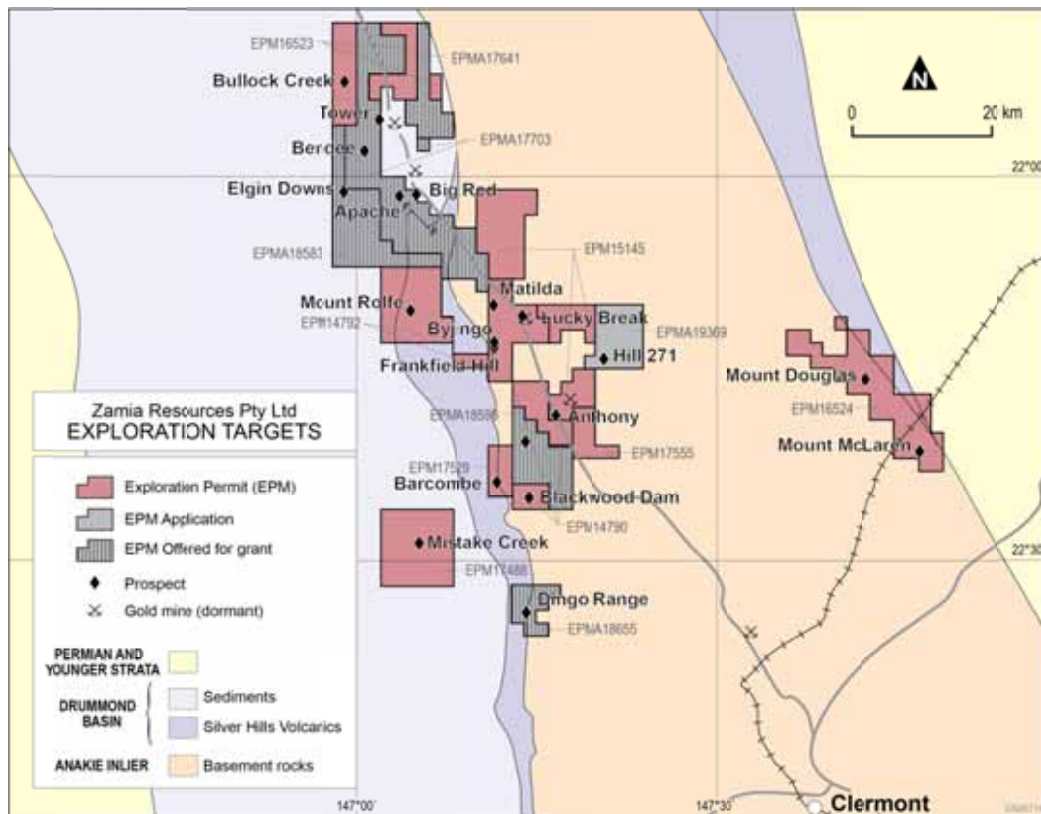


Figure 1 Zamia's tenement package highlighting exploration targets

ANTHONY MOLYBDENUM PROJECT

Drilling Program

Zamia's drilling program at Anthony, comprising six NQ diamond core extensions to existing RC percussion holes, was completed on 25th November 2011. Drilling was designed to test the continuation of molybdenum mineralisation to depths of up to 550m below surface, in selected areas of the deposit. Assay results for these holes are listed in the table (Table 1) below. Results for the first two holes (RCD 11A060 and 11A 063) released in the last quarter are also included in Table 1, to complete the program's results.

Additionally, two angled HQ (large diameter) diamond core holes (DD11A097 and DD11A098) were drilled from surface to a depth of 250 metres. Core from these two drill holes will complement Zamia's existing metallurgical testing of the Anthony molybdenum deposit. These holes were completed at the end of last quarter and the assay results for these holes are included in the table below.

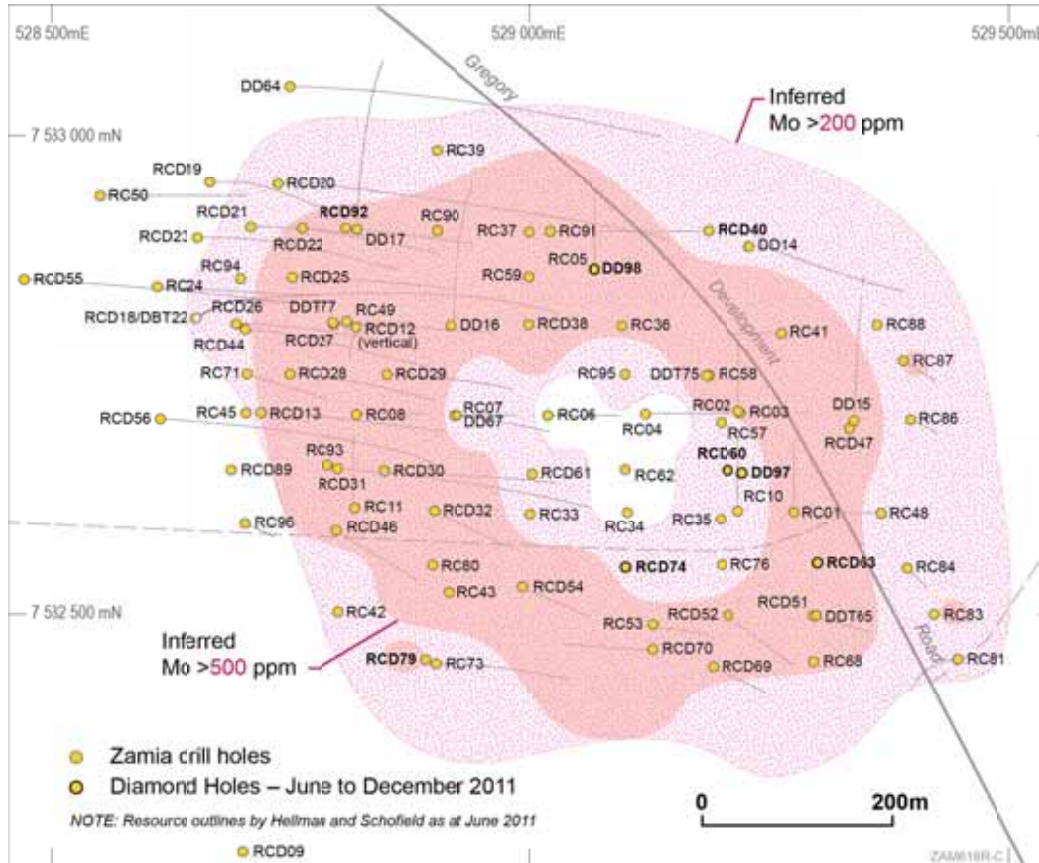


Figure 2. Anthony drill location plan highlighting holes drilled the current programme

The location of the 8 diamond holes making up this programme with a total of 2,030 metres drilled are shown in the figure below.

Drilling Assay Results

Hole ID	Depth [m]	Mineralisation	From [m]	To [m]	Thickness [m]	Grade [g/t]
RCD11A040	211-500	sulphide	211	500	289	217
		incl.	306	336	30	437
		and	400	422	22	448
RCD11A060	252.3-504	sulphide	252.3	504	251.7	69
RCD11A063	252-552	sulphide	252	552	300	312
		incl.	252	308	56	428
		and	440	482	42	428
		and	516	526	10	625
RCD11A074	252.4-501.7	sulphide	252.4	501.7	249.3	148
		incl.	306	316	10	321
RCD11A079	251.1-454	sulphide	251.1	454	202.9	192
		incl.	352	360	8	410
		and	406	424	18	445
RCD11A092	245.9-482	sulphide	245.9	482	236.1	269
		incl.	345.9	360	14.1	495
		and	352	406	54	353
DD11A097	0-249.5	oxide	0	60	60	393
		partial	60	108	48	352
		sulphide	108	249.5	141.5	273
		incl.	170	208	38	403
DD11A098	0-251.5	oxide	0	60	60	396
		partial	60	98	38	385
		sulphide	98	251.5	153.5	650
		incl.	128	186	58	740
		and	220	244	24	756

Table 1. Summary of average and exceptional Mo (XRF) assays

The assay results confirm that moderate molybdenum concentrations above Zamia's current cut-off grade of 200 ppm, with significant intersections averaging more than 400 ppm, continue to depth in the areas tested by the drilling (as shown in Figure 2).

Zamia has commissioned a revised resource estimate for the Anthony deposit to include the latest assay results. It is expected that the new resource figures will be available in February 2012.

REGIONAL EXPLORATION

During the quarter Zamia carried out extensive exploration work on several prospects with the objective of delineating copper-gold targets.

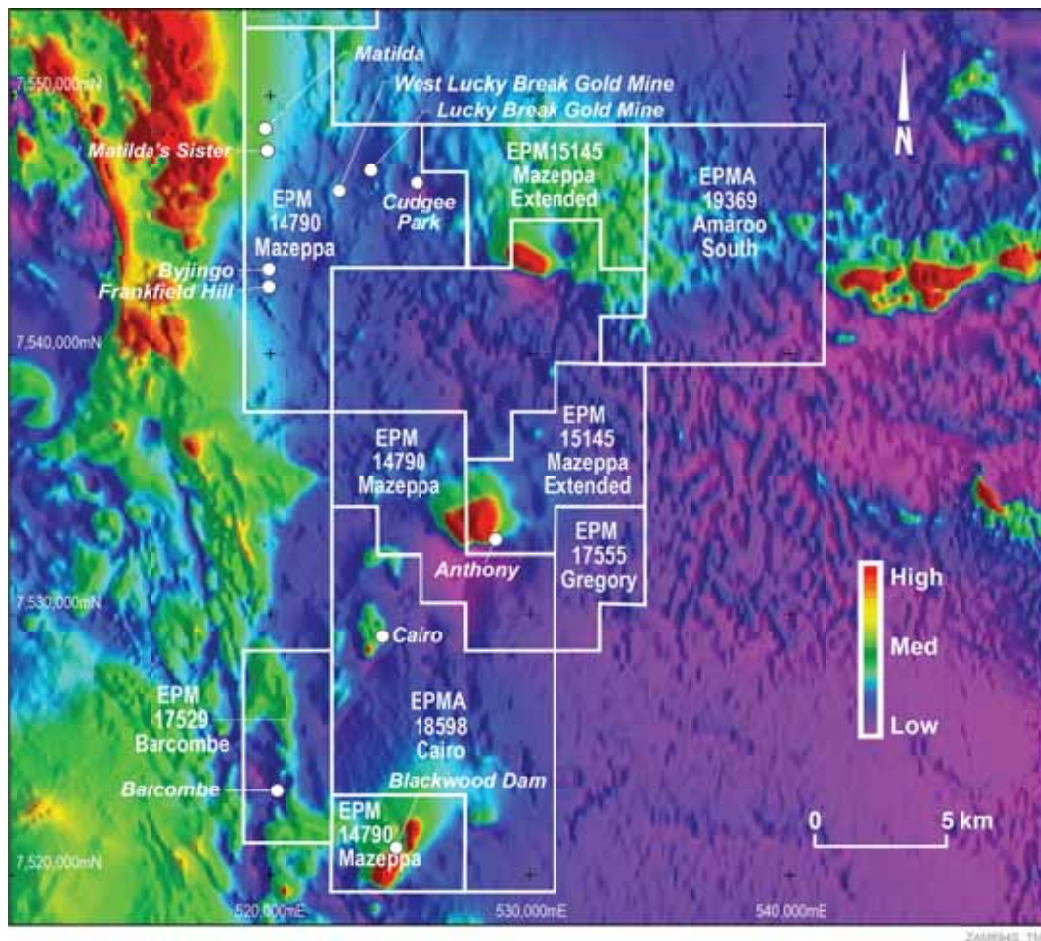


Figure 3 Location of targets in the central tenement portfolio overlain on TMI (total magnetic intensity) image

EPM 14790 (Mazeppa)

Several targets blanketed by soil cover with no previous exploration work have been identified in this tenement. During the quarter exploration was carried out on two areas.

1) Matilda's Sister Prospect

The Matilda gold target identified by geochemical sampling was drill tested in 2010 with six shallow percussion holes. Three of the holes intersected wide zones (up to 40m) of low grade (0.3 ppm Au) gold with a best intersection of 3m at 1.5ppm Au.

Matilda's Sister, approximately 1.5km south-east of the Matilda Prospect, is an anomalous geochemical area delineated from a broader spaced regional geochemical sampling program. Infill soil geochemical sampling was carried-out over the prospect area resulting in 102 samples being acquired at the end of the previous quarter.

Assay results received this quarter confirmed a poly-metallic anomaly approximately 150 by 100 metres (at >30 ppb Au). Follow-up work included geological mapping

and rock chip sampling of the various rock types mapped. Anomalous gold assay results were confirmed from a silicified quartzitic sandstone outcropping on a small hill. A further geochemical anomaly to the north of Matilda which forms another low hill has also been identified and detailed sampling and mapping is planned.

2) Blackwood Dam Prospect

Blackwood Dam prospect is delineated by an aero-magnetic anomaly typical of the magnetic highs in the region that represent intrusive centres, similar to that of Anthony and Mistake Creek. However this prospect area is covered by thick black soils and by geophysical surveying by Induced Polarisation (IP) was considered the most effective tool. This work was planned to be carried out in December but was cancelled due to the early onset of wet weather making the ground impassable. Zamia intends to re-schedule the survey for the first half of 2012. The IP will be complemented by a gravity survey to identify any de-magnetised or non-magnetic porphyry stocks adjacent to the magnetic intrusive.

EPM 17529 (Barcombe)

EPM 17529 has been interpreted as straddling the boundary between the metasediments of the Anakie Metamorphics Group and the overlying basal sequence of the Drummond Basin which in this area represents the Silver Hills Volcanics. A target area in the south of the EPM was delineated from the structural interpretation of remote sensing and aeromagnetic data.



Figure 4 Induced Polarisation survey team leader at work in Barcombe

Based on this study, the company decided to conduct a 3D induced polarisation (IP) survey covering the structurally most complex area in the southern half of the

tenement. A double offset dipole-dipole IP survey was undertaken over the target area consisting of seven 1.5km arrays with 100m dipole spacing.

The IP study was complemented by conventional soil sampling in areas where “black” soil cover is absent or thin over the area covered by the IP survey. Results from the 68 samples assayed have not yet been received. Following the receipt of the geophysical evaluation from the consultants, IP anomalies coincident with the surface geochemical anomalies will be given high priority for drill testing.

Mistake Creek (EPM 17488)

The Mistake Creek target has potential for a large porphyry-style copper-gold system. The Mistake Creek intrusive complex has strong affinities with the Anthony deposit in terms of size and geology. A soil geochemical survey (200m x 200m sample spacing) was accompanied by geological mapping and outcrop sampling during the previous quarter. This work outlined two prospect areas.

A planned 3D Induced Polarisation survey covering the southern and eastern contacts of the Mistake Creek intrusion as well as the area of interpreted magnetite destruction to the west of the main intrusive was planned to be carried out following the completion of the Barcombe IP survey. However, access issues due to wet weather and landholder negotiations stalled this work, which is now planned for the first half of 2012.

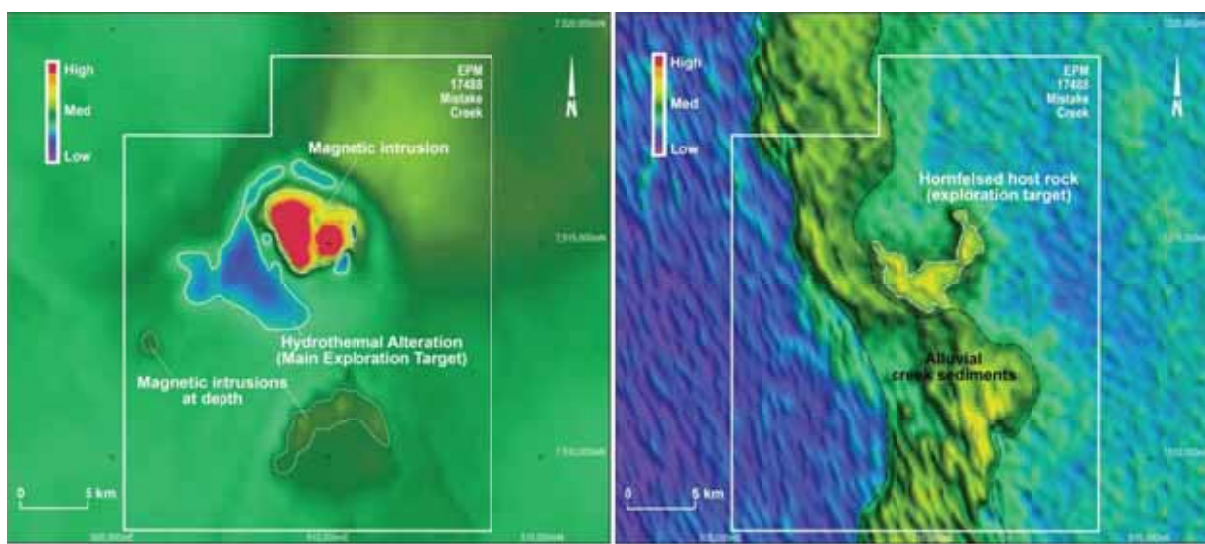


Figure 5 EPM 17488 - Aerial magnetic (left) and potassic channel radiometric (right) imagery

CORPORATE ACTIVITIES

Corporate Funding

The cash position of the Company as at 31 December 2011 was \$605,000 (see Appendix 5B released with this Quarterly Activities Report). The Company entered into an agreement on 30 January 2012 with an investor who will subscribe within fourteen days for 14,285,714 fully paid ordinary shares at \$0.07 and 7,142,857 unlisted options exercisable at \$0.105 expiring two years from the subscription date. The \$1 million raised from the placement will be used for further exploration on the Company's copper-gold prospects and for additional working capital.

At the Annual General Meeting (AGM) held on 25 October 2011 all Resolutions were approved including a proposal to issue shares in repayment of a \$1,500,000 loan at an issue price of 8.5 cents per share. This issue price was approximately 70% above the last closing price of the Company's shares trading on the day immediately prior to the date of the loan agreement.

On 7 November 2011, 17,917,808 fully paid ordinary shares were issued to Brownstone International Pty Ltd to repay the principal and interest of the loan.

JV/Strategic Alliance Discussions

Zamia has held discussions with potential joint venture (JV) and /strategic alliance partners in relation to both its copper-gold exploration program and the Anthony molybdenum project. In this regard, Zamia attended the China Mining Congress and Expo 2011 in Tianjin, China.

Promotion and Investor Relations

Zamia attended the "Mines & Money Australia" Conference and Exhibition in Sydney and "The Mining 2011 Resources Convention" in Brisbane at which Chairman and Managing Director, Ken Maiden, was an official presenter. Promotional poster displays highlighting our projects and information on the Company's activities were provided to various investors, fund managers and company representatives from Australia, United Kingdom, United States of America and Asia.

Roadshow presentations to Melbourne and Sydney based stockbrokers and fund managers were made during the quarter to communicate Zamia's strategy on molybdenum and gold/copper exploration.

Health & Safety

The Company has commenced a series of Health and Safety reviews and training sessions at Clermont to better prepare staff for potential fire, flood and work-related risks.



Figure 6 Zamia's Promotional Booth and Delegates at "The Mining 2011 Resources Convention" in Brisbane, Queensland.

Ken Maiden
Executive Chairman

Competent Person

Dr Ken Maiden, MAIG FAusIMM, Executive Chairman 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.