



ASX: ZGM

25 July 2011

Centralised Company Announcements Office
ASX Limited
Exchange Centre 20 Bridge Street
Sydney NSW 2000

ZAMIA METALS LIMITED QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 2011

HIGHLIGHTS

- On 20 June, independent resource consultants, Hellman & Schofield Pty Ltd (H&S) provided an updated Inferred Resource estimate for the Anthony molybdenum (Mo) deposit.
- A programme of reverse circulation (RC) percussion drilling, that commenced in November 2010, was completed in May 2011 with a total of 30 holes drilled. Available assay results were incorporated into the June resource estimation.
- A new diamond drilling programme commenced in June. This comprises diamond tails on existing RC holes designed to test the continuation of Mo mineralisation to depths up to 500m.
- A successful capital raising was completed in April 2011 with 28,086,000 fully paid ordinary shares placed at 10.5 cents.

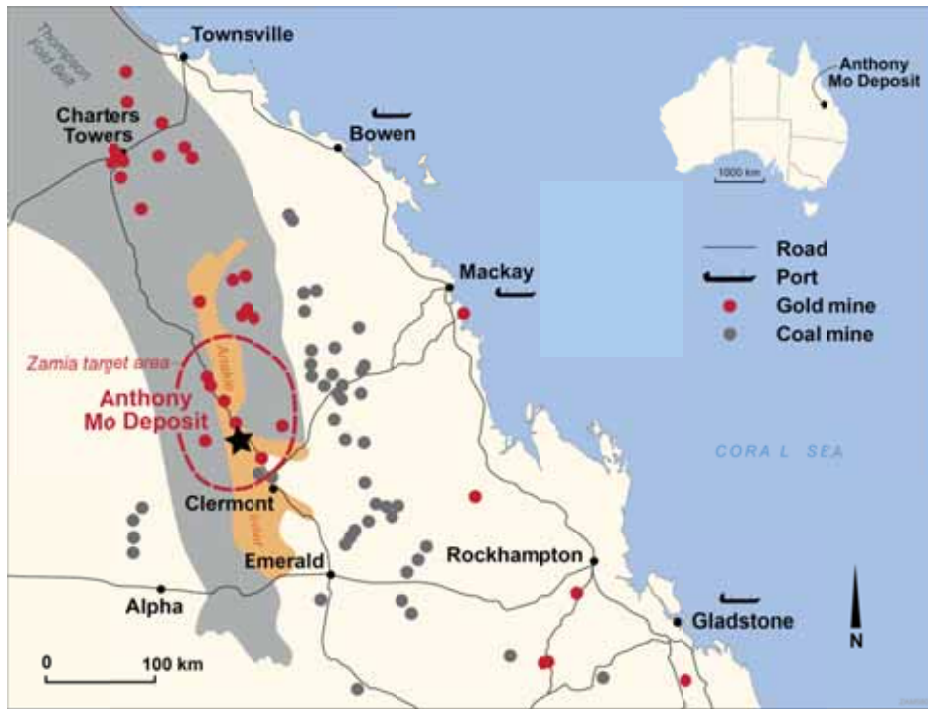


Figure 1. Location map, showing Zamia’s target area within the Central Queensland Gold Province

ANTHONY MOLYBDENUM PROJECT

Updated Resource Estimate

Independent resource consultants, Hellman & Schofield Pty Ltd (‘H&S’) provided an updated Inferred Resource estimate for the Anthony molybdenum deposit. This was announced on 20 June 2011 (see Table 1).

Cut-off grade	Sulphide Resource			Transition and Oxide Resource			Total Resource		
	Mo (ppm)	Mt	Contained Mo (million lb)	Mt	Mo (ppm)	Contained Mo (million lb)	Mt	Mo (ppm)	Contained Mo (million lb)
600	20	840	35	4	680	7	23	800	40
400	80	570	103	25	520	27	110	560	130
200	190	420	173	70	370	57	260	400	230

Table 1: Inferred Resource estimates for sulphide, transition and oxide zones (Tonnes and grades have been rounded and round-off errors may occur. Above cut-off grades higher than 500 ppm Mo, results are subject to some uncertainty)

Table 1 indicates that, when near-surface oxide and transition (partly oxidised) material is included, the total resource stands at 260 million tonnes (Mt) at 400 ppm

Mo (230 million lb contained Mo), including high grade zones of 23 Mt at 800 ppm Mo (40 million lb Mo). (Note: 400 ppm Mo = 0.04% Mo)

H&S estimates that approximately 70% to 80% of the Inferred Resource will eventually be reported as Indicated and Measured Resources after additional infill drilling and sampling has been carried out.

Table 2 shows the resource increase from the resource previously announced in April and September 2010.

Cut-off grade	April 2010 Sulphide Resource Estimate			September 2010 Sulphide Resource Estimate			June 2011 Sulphide Resource Estimate			From April 2010 to June 2011	
	Mo (ppm)	Mt	Mo (million lb)	Mt	Mo (ppm)	Mo (million lb)	Mt	Mo (ppm)	Mo (million lb)		
600		13	750	21	15	730	23	20	840	35	66%
400		40	570	51	57	550	69	80	570	103	102%
200		81	430	77	132	400	118	190	420	173	125%

Table 2. Inferred Resource Estimates from April 2010 to June 2011

Note: June 2011 resource based only on material within conceptual pit shell. April & September 2010 resource estimates are not constrained by pit shell

Resource Potential

Most of the deep drilling to date has been focussed on the known western high grade zone, which is shown in grade sections (see Figures 2 and 3) as a near-vertical body surrounded by lower grade material.

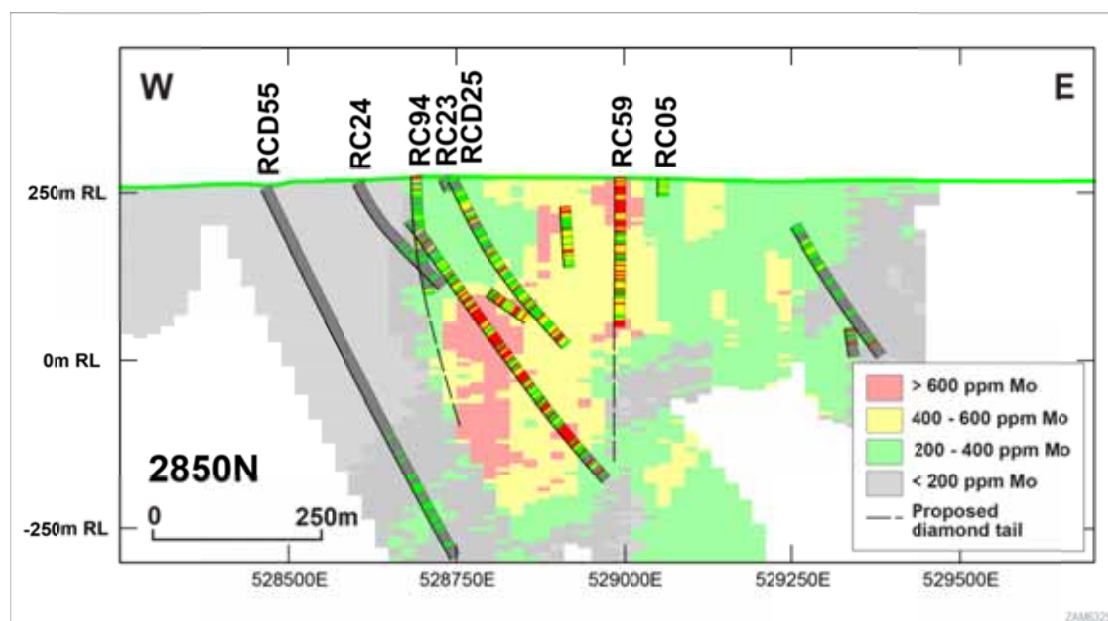


Figure 2. Anthony drill section 2850 N

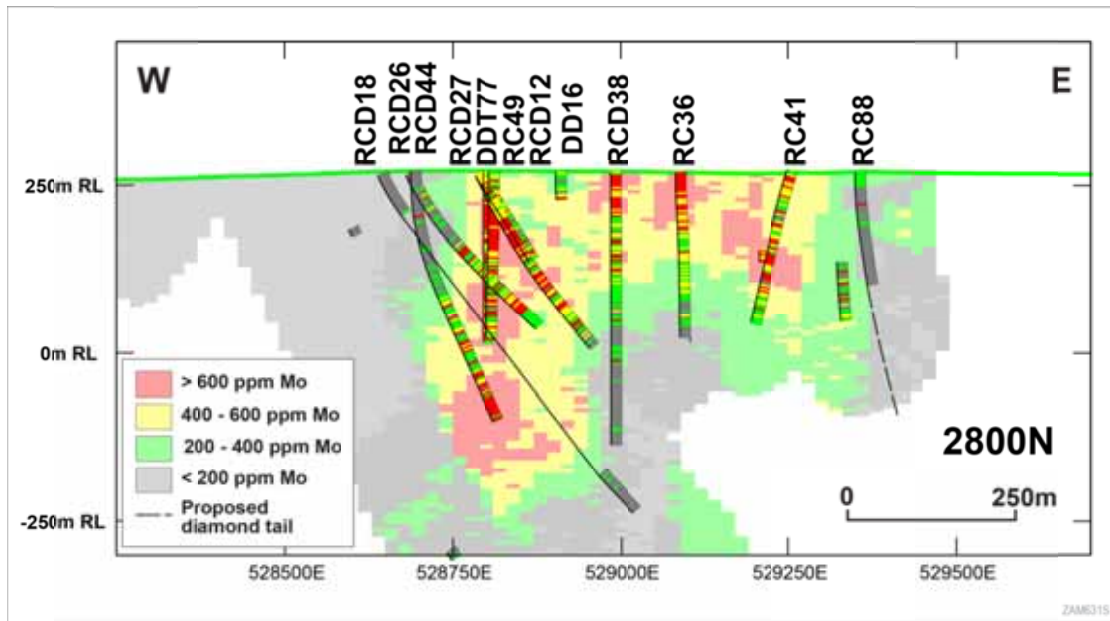


Figure 3. Anthony Drill Section 2800N

Drilling during the 2010-11 year has identified other zones of higher grade Mo in the northern, eastern and southern portions of the deposit (see Figure 4).

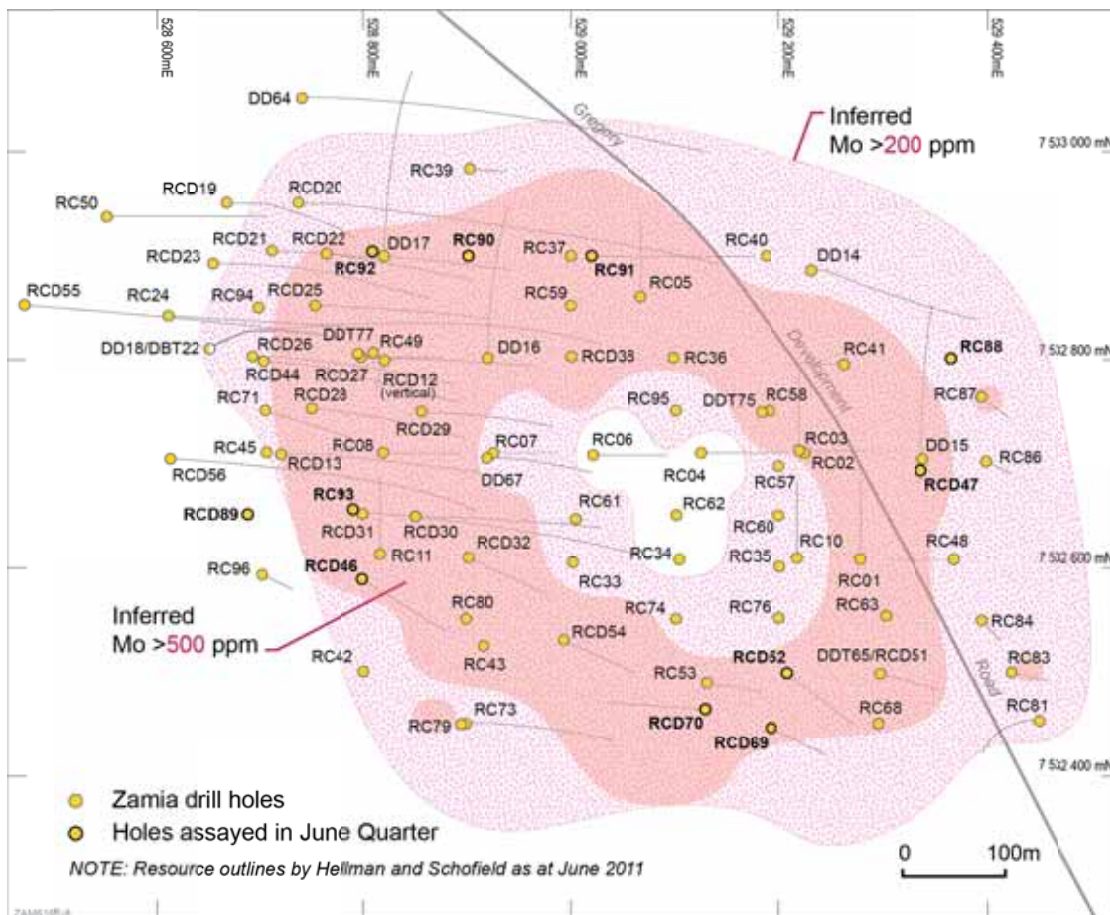


Figure 4. Anthony drill plan, highlighting holes assayed during the June Quarter. (RC = reverse circulation, DD = diamond drill, RCD = reverse circulation with diamond tail, DDT = diamond hole twinned to RC hole, DBT= one hole drilled by CRA (1990s) extended by Zamia's DD hole)

In the near-surface area, the deposit appears as a donut-shaped zone of higher grade (+500 ppm Mo) surrounding a low-grade core, and extending outwards into lower grade material. The new assay data are largely from shallow (< 250m depth) RC holes on the edges of the deposit, sited to determine the lateral extent of the deposit, rather than deep holes into the known high grade zones of the deposit.

A new diamond drilling programme, comprising diamond tails to existing RC holes, commenced on 17 June. This programme, testing depth extensions up to 550m below surface, is expected to provide an increased tonnage of higher grade Mo mineralisation.

Reverse Circulation Drilling

The RC drilling programme of 30 holes was completed during May 2011. The location of drill holes is shown in Figure 4 and the holes completed and assayed are highlighted. Assay results received during the quarter are summarised in Table 3.

Hole ID	Depth [m]	Zone	From [m]	To [m]	Thickness [m]	Mo grade [ppm]
RC88	168	oxide	0	39	39	202
		partial	39	63	24	153
		sulphide	63	168	105	124
RC89	191	oxide	0	72	72	85
		partial	72	114	42	43
		sulphide	114	189	75	37
RC90	246	oxide	0	51	51	545
		partial	51	87	36	880
		sulphide	87	246	159	650
		incl.	99	150	51	744
		and	219	234	15	892
RC91	246	oxide	0	63	63	350
		partial	63	90	27	324
		sulphide	90	246	156	359
		Incl.	213	231	18	572
RC92	246	oxide	0	78	78	435
		partial	78	114	63	253
		sulphide	141	246	105	262
		Incl.	168	198	30	347
RC93	252	oxide	0	66	66	275
		partial	66	105	39	357
		sulphide	105	252	147	344
RC94	174	oxide	0	57	57	301
		partial	57	123	66	265
		sulphide	123	174	51	178
RC95	252	oxide	0	69	69	219
		partial	69	96	27	106
		sulphide	96	252	156	90
RC96	252	oxide	0	81	81	57
		partial	81	114	33	41
		sulphide	114	252	138	34

Table 3. RC assay results received in the June Quarter

Diamond Drilling

During the quarter the assay results of six diamond drill tails were received and are reported below in Table 4. Drilling of these holes completed the programme of 27 diamond tails carried out by K&W drilling contractors.

Hole ID	Depth [m]	Zone	From [m]	To [m]	Thickness [m]	Mo grade [ppm]
RCD46	470.6	oxide	0	66	66	217
		partial	66	81	15	160
		sulphide	81	470	389	275
		Incl.	314	324	10	973
		and	390	436	46	580
RCD47	478	oxide	0	60	60	486
		partial	60	84	24	399
		sulphide	84	478	394	266
		incl	244	254	10	380
		and	350	370	20	314
RCD52	503.6	oxide	0	69	69	395
		partial	69	102	33	370
		sulphide	102	503.6	401.6	338
		incl.	232	282	50	578
		and	360	374	14	932
		and	498	503.6	5.6	510
RCD69	398.7	oxide	0	54	54	327
		partial	54	78	24	270
		sulphide	78	398.7	320.7	262
		incl	266	276	10	400
RCD70	503.4	oxide	0	66	66	339
		partial	66	102	36	396
		sulphide	102	503.4	401.4	533
		incl	207	261	54	765
		and	283	309	26	772
		and	347	377	30	722
RCD89	252	oxide	0	72	72	85
		partial	72	114	42	43
		sulphide	114	410.6	296.6	51

Table 4. Diamond tail assay results received in the June Quarter (including previously reported RC assay results)

In June, diamond drilling contractors OME Drilling arrived on site and commenced a new programme of diamond drill tails (14 tails planned) of existing RC percussion holes. Drilling is designed to test the continuation of Mo mineralisation to depths of up to 550m. One drill hole was completed by the end of the quarter.

Metallurgical Tests

While the company focus has been on expanding the resource, a limited number of metallurgical tests on sulphide, partially oxidised and in particular the oxide resource have been carried out. It is anticipated that a report on all significant metallurgical findings will be available in the next quarter.

Targets near Anthony

A programme of five diamond scout holes, targeting geophysical anomalies up to 2 km from the Anthony deposit, was carried out during the March quarter. Geological interpretation of the results is in progress.

REGIONAL EXPLORATION

Zamia, through its wholly-owned subsidiary Zamia Resources Pty Ltd, has exploration permits and applications covering an area of more than 1300 km².

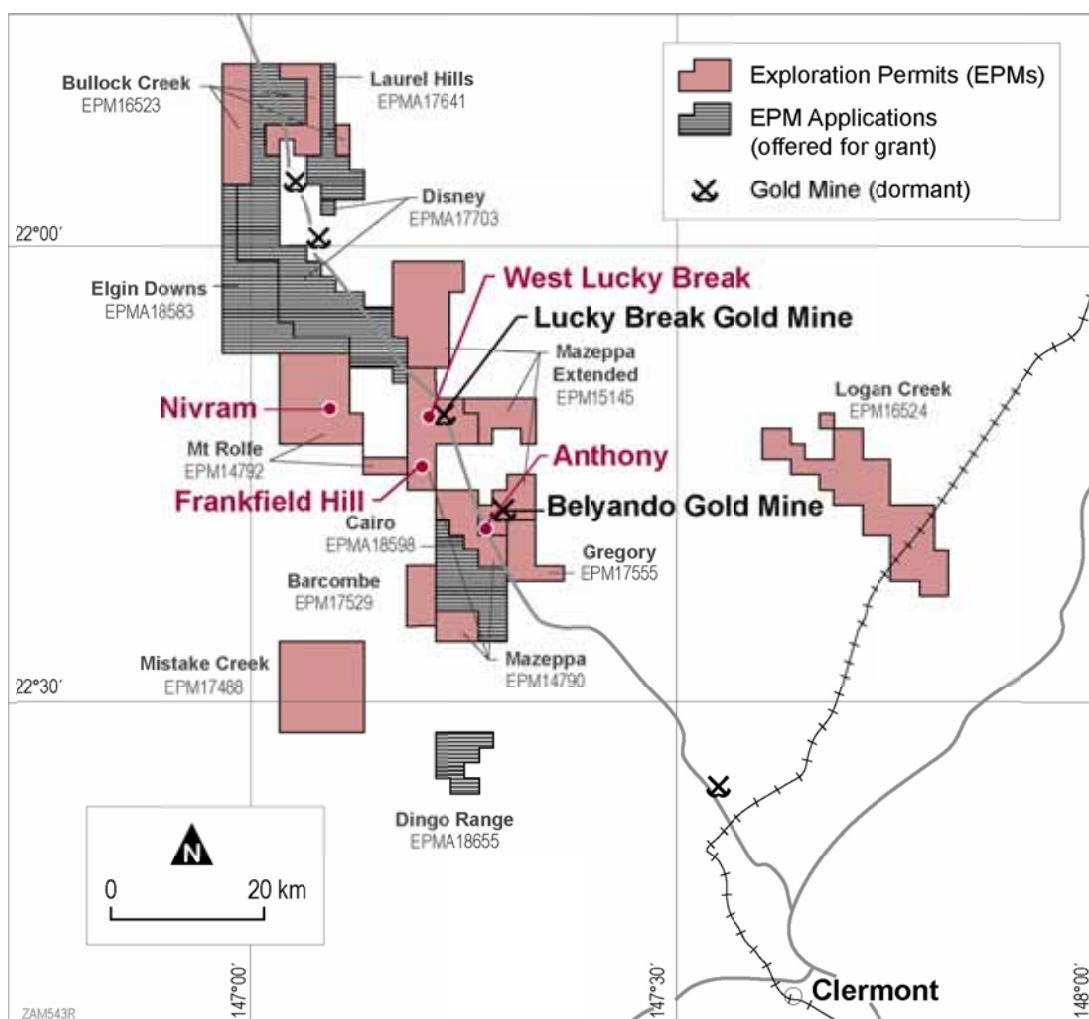


Figure 5. Zamia's tenement position at end June 2011
Note: Belyando Gold Mine is not included in Zamia's EPM 15145

The Dingo Range application (EPM 18655) was offered to Zamia during the quarter.

An auger rotary hand-held drill was purchased at the end of the quarter for deeper soil sampling in order to penetrate below the black basalt soils that mask the target rocks below. An induced polarisation (IP) geophysical survey is also planned as a further exploration tool for target generation.

Access discussions with landholders have been held and the regional programmes on EPMs 14790, 17555 and 17488 will commence next quarter.

West Lucky Break Prospect (EPM 14790 – Mazeppa)

As reported last quarter, Zamia had drilled only one RC hole of a programme of three before wet weather denied access to the ground. The second hole was drilled in April and, following technical complications, was ended at 180m depth. A third hole failed after two attempts to penetrate clay-altered sediments below 24m depth. Gold assay results for the second hole are pending.

Mistake Creek Prospect (EPM 17488)

Following a desktop review last quarter, mapping and sampling of the Mistake Creek prospect commenced in July and will be followed up by IP and further auger soil sampling programs targeting copper and gold porphyry mineralizations.

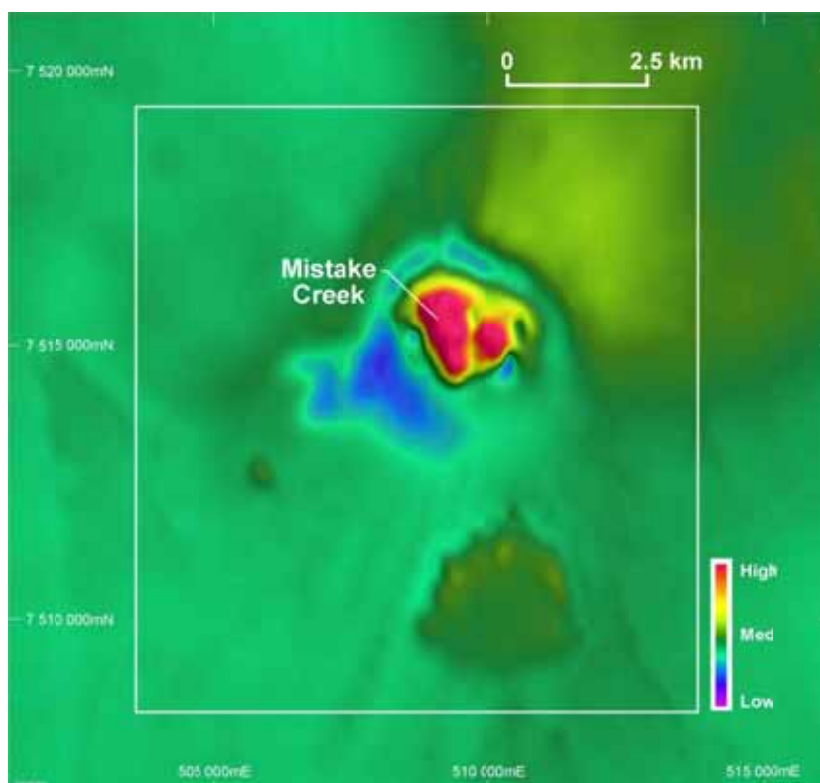


Figure 6. Mistake Creek prospect highlighting target areas for detailed assessment

Logan Creek Prospect (EPM 16524)

Following a desktop review of data on Logan Creek last quarter, the Company is developing an exploration plan contingent on securing an access agreement from landowners.

CORPORATE ACTIVITIES

Share Placement

On 1 April, the Company completed a share placement for the issue of 28,086,000 fully paid shares at an issue price of 10.5 cents per share to raise gross funds of \$2,949,030. Martin Place Securities Pty Ltd managed and underwrote the issue and placed \$2.0 million of the total placement amount.

The funds are being used for the continuation of the Company's development strategy including the expansion of the Anthony molybdenum resource both laterally and at depth as well as regional exploration activities.

Stakeholder Relations

Zamia is close to finalising Conduct and Compensation Agreements with landowners on tenements where the company plans on carrying out advanced exploration activities.

Landowner discussions and progress towards finalising agreements was assisted by the engagement of rural scientists residing in Central Queensland. These individuals provided valuable input into models that give accurate predictions of the cost of disturbance of activities such as drilling on the grazing land of our host landowners.

Investor Relations and Promotion

During June, the Company's General Manager, Graeme Deegan, held a series of meetings with brokers, and institutional and private investors in Sydney and Melbourne



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 and "reasonable expectation" assumptions relating to cut-off grades and resource potential.