Suite 60, Level 6 Tower Building
Chatswood Village
47-53 Neridah Street
Chatswood NSW 2067
**T:** + 61 2 8223 3744
**F:** + 61 2 8223 3799
**E:** info@zamia.com.au
**www.zamia.com.au**

30 January, 2015

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 2014

## KEY POINTS

- The initial stage of drilling commenced at the Belyando historic open-cut gold mine, with four reverse circulation ('RC') holes being completed during November 2014.
- Further geochemical sampling was undertaken in the southern part of EPM 17703 *Disney* and EPM 18583 *Elgin Downs*.
- EPM 25479 *Epping Forest* was granted to Zamia on 24 October 2014. The EPM covers 245 km² to the west of the main tenement block (see Figure 1).

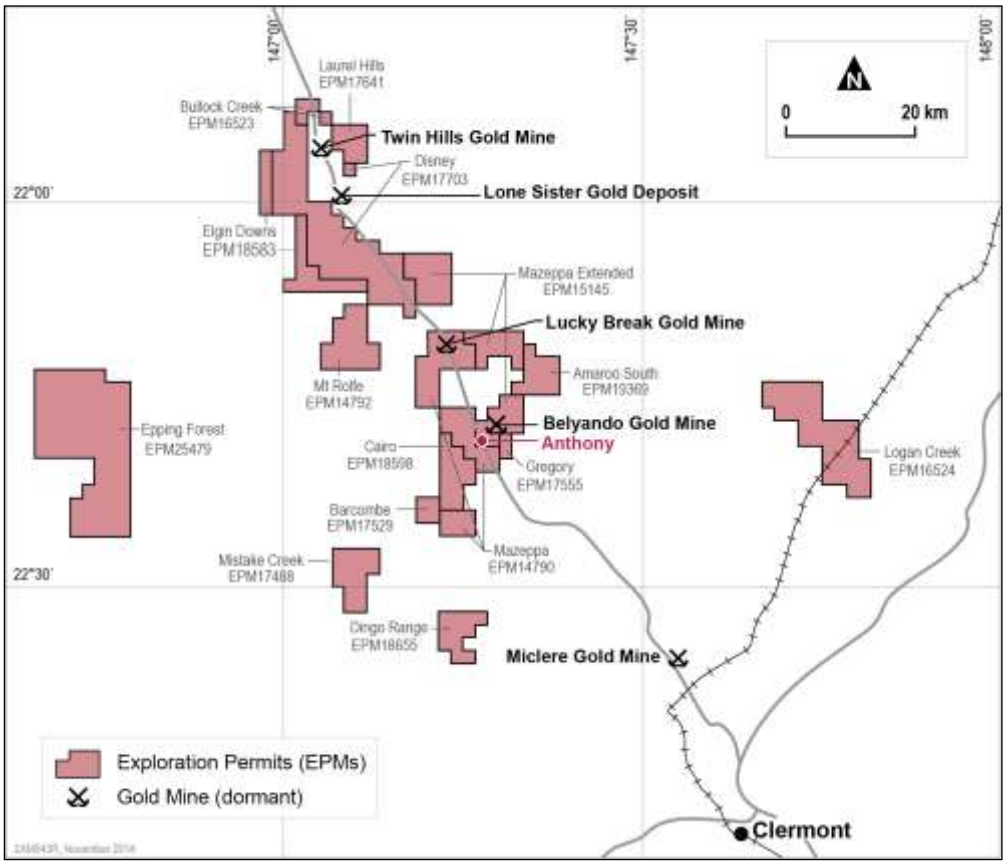


*Figure 1. Tenements held by Zamia in the Clermont region (December 2014)*

## EPM 15145 - BELYANDO GOLD DEPOSIT

The Belyando gold deposit is located about 2.5 km northeast of Zamia's Anthony molybdenum project, within Zamia's EPM 15145 *Mazeppa Extended.* Gold was mined by open-cut method combining carbon-in-pulp ('CIP') extraction and heap leach operations from 1989 to 1995. Total production over the mine life has been stated [1] at 85,846 oz gold with a recovery rate exceeding 72%.

*Figure 2. Mitchell Services RC Schramm 450 drill rig at Belyando*

Following the work carried out in the previous quarter on the evaluation of the historic drill data from the Belyando open-cut, Zamia designed a drilling program of up to 10 RC holes. For the first stage of drilling, Zamia elected not to drill "step-out" holes from previous high grade gold intersections but to adopt an exploratory approach. The initial holes were selected to test the depth extent of gold mineralisation beneath the current pit and peripheral to the known deposit.

Of the four RC percussion holes, two were sited to the north of the current pit, testing for mineralisation down-dip of the mined deposit and two holes were located to the south of the pit to test for lateral extensions (see Figure 3).

[1] *Mustard R 1998 Belyando gold deposit in Geology of Australian and Papua New Guinea Mineral Deposits (EDS D A Berkman and D H Mackensie) pp 707 – 714).*


*Figure 3. Location of RC holes on aerial photo image of the Belyando open-cut*

Drilling of the four RC holes (total 822m) was carried out in November 2014. All four drill holes were terminated short of the target depth of 300m: three holes (BY004, 5, 7) terminated early due to ground water pressure and one hole (BY006) terminated due to loss of outside return, caused by swelling clays. Problems with ground water pressure were associated with quartz reefs intersected near to and below the Belyando pit and are suspected to be due to water channelling in open fractures within the quartz reef. It is envisaged that follow-up diamond drilling would overcome the water pressure issue and permit deeper sampling.

Key details of the drilling program are summarised in Table 1.

| Hole ID | Planned ID | Easting [m] | Northing [m] | Azimuth [º] | Dip [º] | Length [m] |
|---|---|---|---|---|---|---|
| RC14BY004 | PRC09 | 530417 | 7535480 | 190 | -60 | 233 |
| RC14BY005 | PRC08 | 530460 | 7535427 | 190 | -60 | 197 |
| RC14BY006 | PRC12 | 530131 | 7535050 | 045 | -60 | 232 |
| RC14BY007 | PRC11B | 530842 | 7535116 | 270 | -60 | 160 |
| | | | | **Total** | | 822 |

*Table 1. Details of Zamia's Belyando drilling program, completed 18 - 29 November, 2014*

*Figure 4. Photo of drilling and sampling operations at Belyando*

One-metre bulk samples were split twice using three-tier splitters and aggregated into two metre composites. Samples were sent to be assayed for gold (fire assay with AAS finish) and selected pathfinder elements (four-acid-dissolution with ICP-MS finish). The assay results from the last 2 holes (on the southern side) were returned in early January in the form of raw data. An ASX announcement will be made at the end of January or early February when all the drilling results have been compiled and assessed.

The second stage of the drilling program is expected to commence in March 2015.

## EPM 17703 DISNEY

A regional soil geochemical survey over the southern part of EPM 17703 was carried out in the second half of 2013, acquiring 1,141 soil samples for assay. The soil geochemical anomaly referred to as 'Pelican Creek' (Figure 5) was identified in the southern end of the grid. Results show a close correlation of some anomalous elements, such as silver, with the drainage system, suggesting that the anomaly may result from transport of erosion products down-stream during flood events.

To identify the potential up-stream source of the anomalous metal concentrations, acquisition of 53 soil/stream sediment samples draining from Mistake Creek, Mount Rolfe and Willesley Station dam were acquired in October 2014. Results of the sampling to the south of 'Pelican Creek' showed a varied and inconclusive response. An example of the analysis for thallium (Tl) is shown in Figure 6.

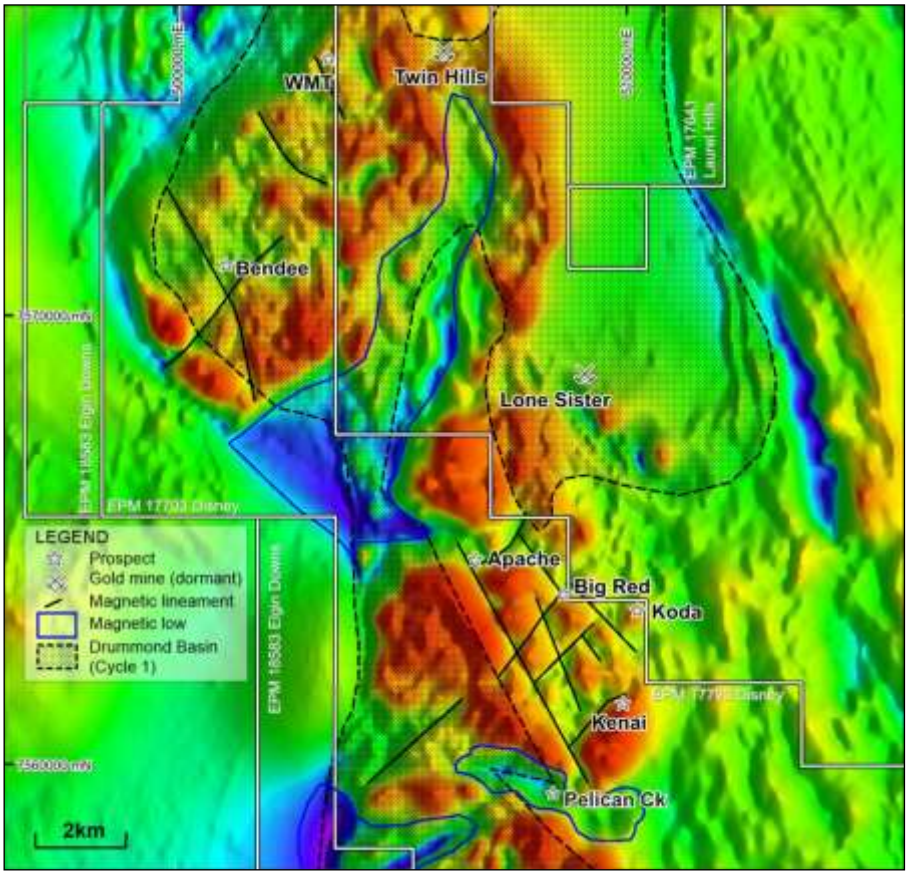


*Figure 5. EPM 17703 Disney showing southern targets on aeromagnetic imagery*

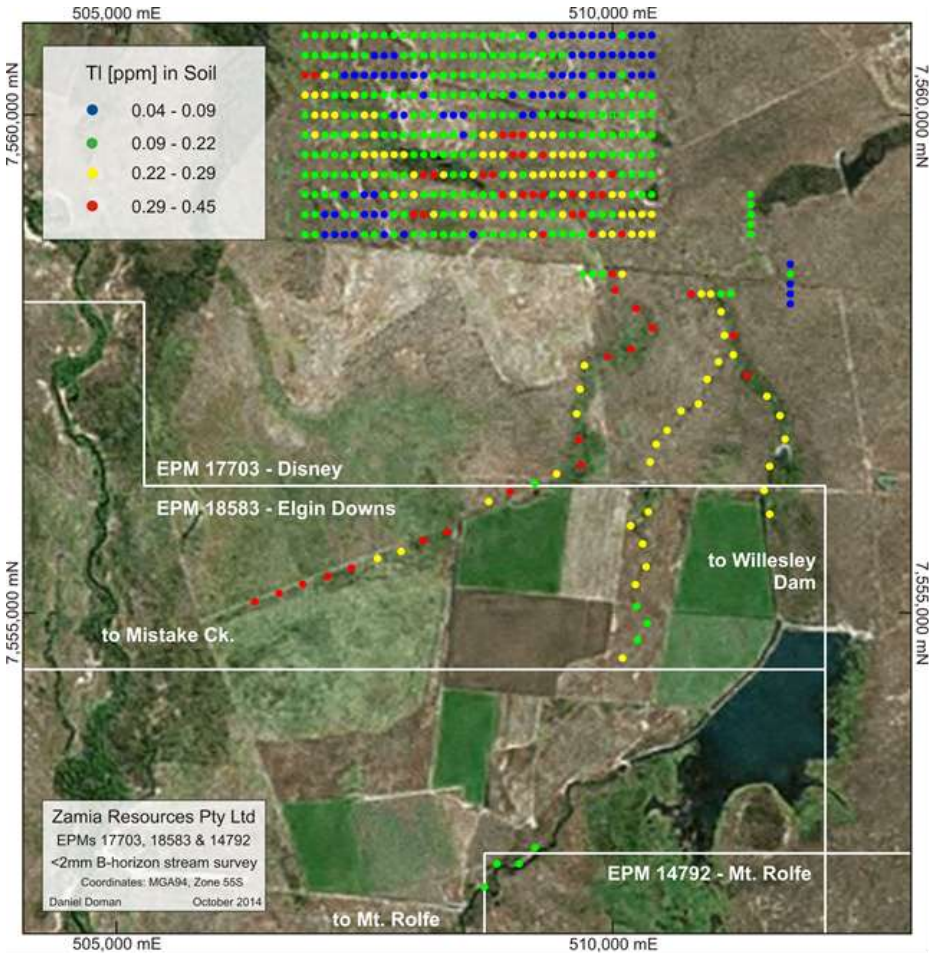


*Figure 6. Assay results for thallium in drainage systems at southern Disney*

Additionally, Zamia submitted a suite of 87 sample pulps from the original South Disney soil grid to be re-assayed for gold (Au) via AAS fire assay to determine which of the established and new geochemical targets show elevated gold values. Gold results have been returned, with some significant results showing at Big Red prospect area. Compilation and evaluation of the data will be made before follow-up work is planned.

**EPM 18655 DINGO RANGE AND EPM 25479 EPPING FOREST**

EPM 18655 *Dingo Range* and EPM 25479 *Epping Forest* were granted in May and October 2014 respectively. During the quarter, initial assessment was carried out over the EPMs. Past exploration reports from previous company work were downloaded from the government data-base.

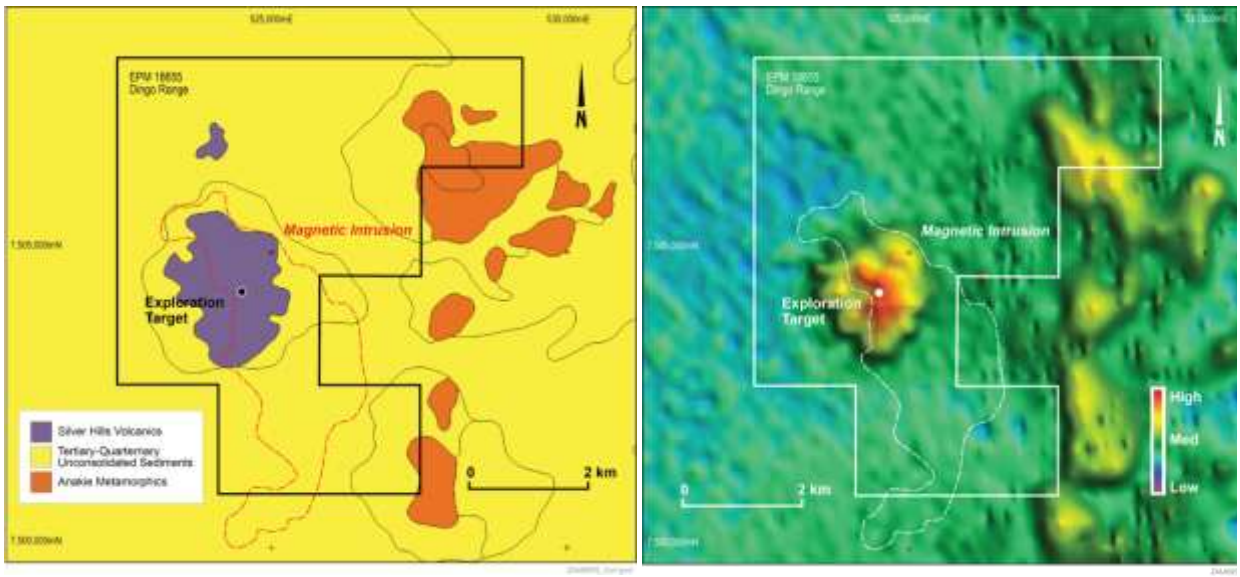


*Figure 7. EPM 18655 Dingo Range showing exploration target area over interpreted geology (left) and radiometric imagery (right)*

EPM 18655 covers the contact between the Silver Hills Vocanics (basal unit of Drummond Basin sequence) and the underlying Anakie Metamorphics to the east. The review of data has outlined attractive exploration targets for follow-up work in 2015 (Figure 7).

**CORPORATE ACTIVITIES**

The Company has been maintaining contact with potential strategic investors and joint venture partners.

R. E. Keevers

Richard Keevers
Chairman, Zamia Metals Limited

**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.

# JORC Code, 2012 Edition (Table 1)

## Section 1 Sampling Techniques and Data

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | • B-horizon surface sediment (soil) samples were taken from flood drainage systems draining the area between Mistake Creek, Mt. Rolfe and Pelican Lagoon (EPMs 17703, 18583 and 14792). Approximately 45 grams of <2mm grain size sediment pulverized for ICP-MS trace element assay following aqua regia digest. |
| *Drilling techniques* | • *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).* | • Reverse Circulation (Percussion) Drilling at the dormant Belyando Gold Mine undertaken by Zamia in November 2014 used a Schramm 450 rig operating a 5-inch RC hammer. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Not applicable. Results of the Belyando drilling will be presented in a separate release. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate* | • Not applicable. Results of the Belyando drilling will be presented in a separate release. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Industry standard techniques for soil samples were used to prepare the material for assaying, which include drying and pulverizing to <75µm prior to aqua regia dissolution and assaying. No duplicate samples were taken. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *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.* | • The digestion method employed for the soil sampling (aqua regia) is considered partial. No QAQC methods apart from internal laboratory standards were used for the soil sampling. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Not applicable. |
| *Location of data points* | • *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.* | • Sample were located using hand-held GPS receivers and are considered accurate within a device error of ±4m. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Stream sediment samples were spaced approximately 250m apart, which is considered appropriate on the scale of the area sampled. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • Samples were located within three principle flood-ways. The detailed underlying geology of the area (e.g. location and trend of tectonic structures) is not known due to deep erosion and sedimentary cover. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Not applicable. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Not applicable |

## 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 status* | • *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.*<br>• *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.* | • No known issues impeding on the the security of the Zamia's tenure or ability to operate in the areas discussed in this announcement exist. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • The Belyando Project was discovered Australian Consolidated Minerals Ltd in 1985. Significant exploration efforts to delineate the deposit were undertaken by Menzies Gold NL (1986-87) and Ross Mining NL (1988-1995). |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Belyando Deposit is considered an intrusion-related meso- or deep epithermal-style gold deposit by previous workers. It is situated |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | in a low-grade metamorphic terrane.<br>• The Pelican Creek target area is underlain by intermediate to felsic volcanic rocks of early Carboniferous age as well as granitoids of a similar age. Based on the geochemical signature of the anomaly, the target type is envisaged to be porphyry- or epithermal-style. |
| *Drill hole Information* | • *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.* | • See Table 1 in the body of the the announcement. |
| *Data aggregation methods* | • *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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No aggregate results were presented in this announcement. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | • Not applicable. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being* | • See figures 3 and 5 in the body of the announcement. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | |
| *Balanced reporting* | • *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.* | • Not applicable. No numerical exploration results were reported in this announcement. |
| *Other substantive exploration data* | • *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.* | • Not applicable in the context of this announcement. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • See body of the announcement. |