



ASX:ZGM

25 February 2011

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

SUBSTANTIAL MOLYBDENUM RESOURCE INCREASE AT ANTHONY

HIGHLIGHTS

- **New resource estimate for the Anthony molybdenum (Mo) deposit shows a significant increase in contained Mo**
- **56% increase in high grade sulphide Mo compared to previous estimate; contains 20 million tonnes (Mt) at 810 parts per million (ppm) Mo at a 600 ppm Mo cut-off grade**
- **At 200 ppm Mo cut-off, sulphide resource increased 38% to 173 Mt at 430 ppm Mo**
- **Resource estimates are reported only if they occur within a conceptual pit shell**
- **Potential for additional resources within the pit shell**
- **Drilling continuing to test the extent and depth of the resource**

Updated Resource Estimate

Independent resource consultants, Hellman & Schofield Pty Ltd (H&S), have produced an updated Inferred Resource estimate for the Anthony deposit, near Clermont in Central Queensland. This latest estimate includes data from drill holes announced on 13 December 2010, 2 February 2011 and 21 February 2011.

An initial conceptual pit shell was used to report only material within that shell.

As indicated in Table 1, updated H&S estimates show a substantial increase in the sulphide molybdenum resource since the previous September 2010 estimate.

Table 1: Comparison of February 2011 and September 2010 Sulphide Inferred Resource Estimates

Cut-off grade (ppm Mo)	February 2011 Sulphide Resource Estimate			September 2010 Sulphide Resource Estimate			Increase in contained Mo from September 2010 to February 2011
	Tonnes	Grade (ppm Mo)	Contained Mo (million lb)	Tonnes	Grade (ppm Mo)	Contained Mo (million lb)	
600	20	810	36	15	730	23	56%
400	82	570	103	57	550	69	49%
200	173	430	163	132	400	118	38%

When near-surface oxide and transition (partly oxidised) material is taken into account, the total resource is 233 Mt at 420 ppm Mo, including 26 Mt at 780 ppm Mo (Table 2),

Table 2: Latest Inferred Resource estimates for sulphide, transition and oxide zones by H&S

Cut-off grade	Sulphide Resource			Transition and Oxide Resource			Total Resource		
	(ppm Mo)	Tonnes	Grade (ppm Mo)	Contained Mo (million lb)	Tonnes	Grade (ppm Mo)	Contained Mo (million lb)	Tonnes	Grade (ppm Mo)
600	20	810	36	6	690	9	26	780	45
400	82	570	103	25	530	29	108	560	132
200	173	430	163	60	400	54	233	420	216

Note: Significant figures in the tables have been rounded and round-off errors may result

Table 2 shows that, based on drill holes included to date, the Anthony deposit contains higher grade sulphide and oxide material within larger lower grade zones. The near surface high grade zones, as indicated in Figure 1, are likely to be the target of early mining to maximise cash flow.

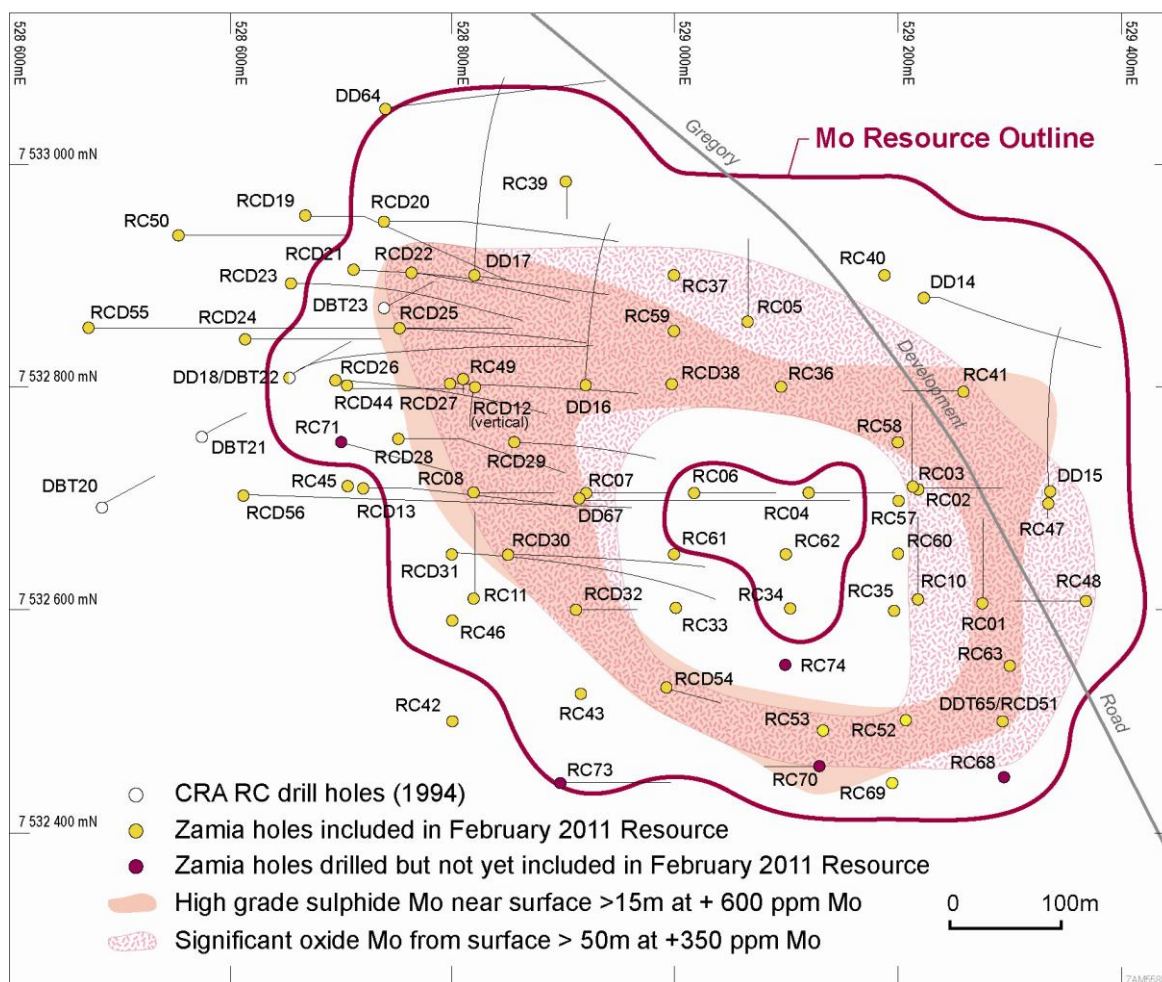


Figure 1: Drill hole location map showing significant surface oxide zones and relatively shallow high grade sulphide zones underneath

As previously reported, both the lower grade oxide and sulphide resources, which surround the higher grade zones, can be upgraded by a simple pre-concentration process. This process will maximise the grade of the material to be processed in the early years and thereby have a positive impact on cash flow.

H&S also identified that, within the preliminary pit shell, there is potential for an additional 20 to 40 Mt at 350 - 550 ppm sulphide Mo. It is therefore expected that, with further planned reverse circulation (RC) and deeper diamond drill testing of this potential as well as testing of the un-estimated parts of the pit shell, the resource will continue to increase. Potential tonnes and grades are conceptual in nature and there has been insufficient exploration to define a Mineral Resource from this material. It is uncertain if further exploration will result in the upgrade of this potential to a Mineral Resource. This potential was defined by using a longer search of 120x120x80 metres (east x north x RL) and fewer data points (6) than those used to define Inferred Resources.

Mining Pit Shells

AMC Consultants have outlined preliminary pit shells at various molybdenum prices. Examples of east – west and north - south pit shells are shown in Figures 2 and 3. These indicate that, depending on the prevailing Mo price, open pit mining could extend to at least 500m depth. These studies are preliminary and in no way define Ore Reserves.

The eastern high grade zone remains “open” at depth and is likely to expand as a result of ongoing drilling.

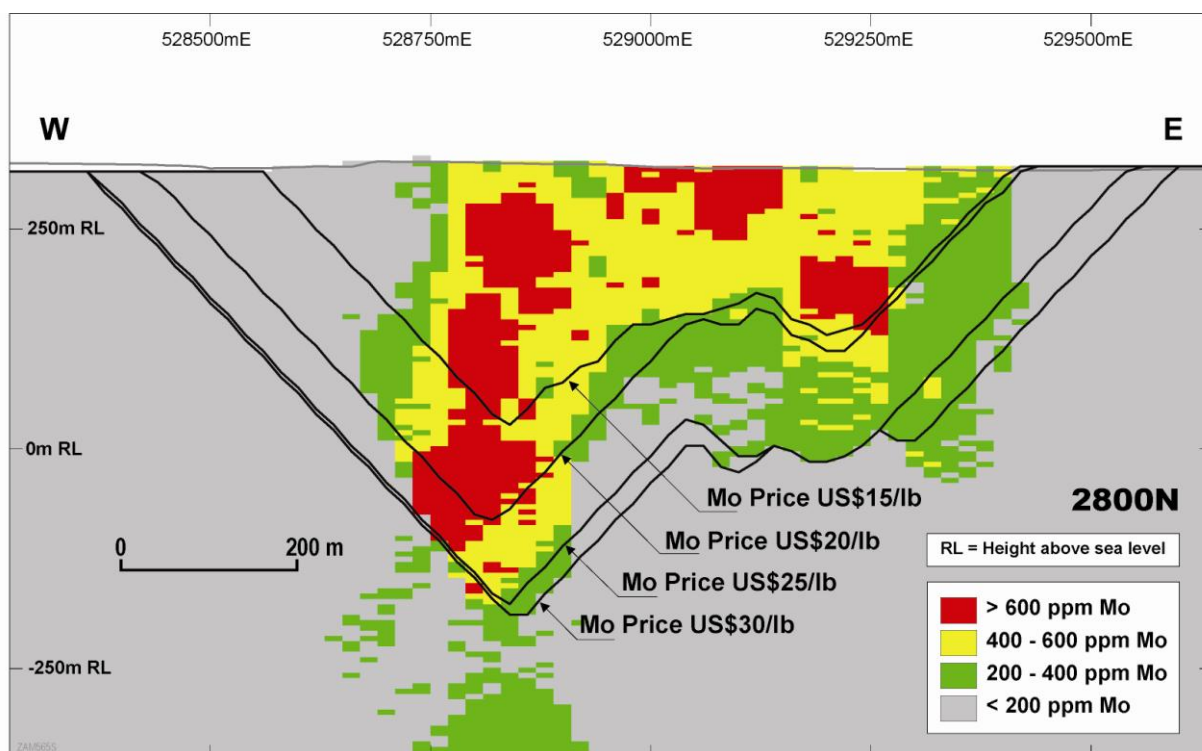


Figure 2. East – west pit shells at 2800N and various Mo prices

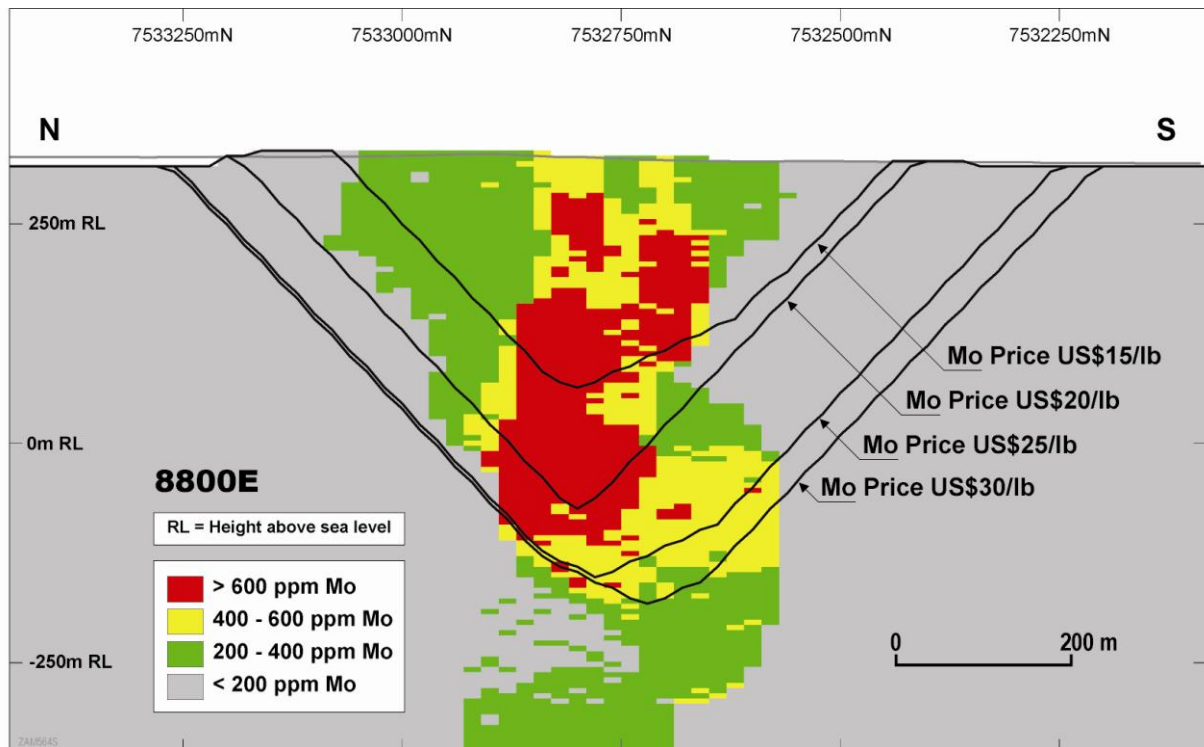


Figure 3. North-south pit shells at 8800E and various Mo prices

Current and Future Drilling Programme

Results from recent drill holes RC68, RC70, RC71, RC73 and RC74 have not yet been included in this new resource estimate. Reverse circulation (RC) drilling is planned to complete an approximate 100m x 50m grid to outline the resource to about 250m depth.

After this RC data has been reviewed, diamond tails on relevant drill holes will extend the Anthony resource at depth – particularly in the east and south of the deposit. This drilling, as well as the data from holes not yet assayed, is expected to further increase the size of the resource.

Since the beginning of 2011, the diamond drill rig has completed three twin holes for resource quality checks as well as for future metallurgical test samples.

In addition, diamond scout holes are testing geophysical targets around Anthony. Two holes have been completed and a third is under way.

FUTURE PROGRAMME

Zamia plans to carry out the following work during the first half of 2011:

- Continue detailed exploration of the Anthony molybdenum deposit to determine its extent, both laterally and at depth.
- Update the Anthony resource estimation as further assays become available.
- Carry out sufficient metallurgical testwork on both primary (sulphide) and secondary (oxide) material to determine the optimum processes for producing saleable products.
- Complete a scoping study for a molybdenum mining and processing operation based on the Anthony resource. The scoping study will include preliminary mine planning, processing options, infrastructure requirements and options, environmental study, preliminary CAPEX and OPEX estimates, and preliminary financial analysis.
- Continue exploration, including diamond drilling, around Anthony to test for other porphyry deposits.
- Continue to test other targets (for gold, molybdenum and copper) within the Clermont district.

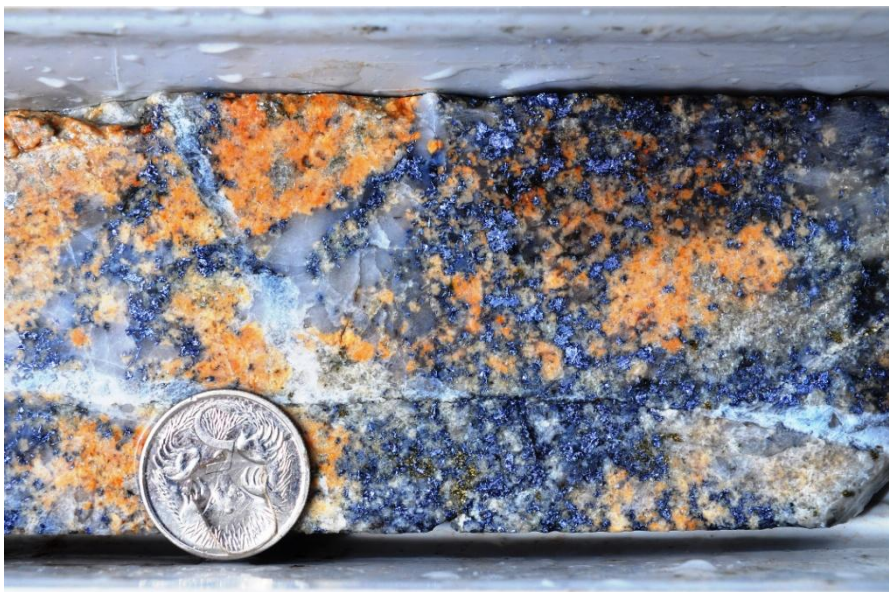


Ken Maiden
Executive Chairman

STYLE OF MINERALISATION



Vein stockwork in altered porphyry



Mo-quartz infill in micro-breccia

About Zamia (ASX: ZGM)

Zamia listed on the ASX in January 2007, and holds a portfolio of Exploration Permits for Minerals in the Clermont district of central Queensland. In 2008, Zamia discovered the Anthony molybdenum deposit by drilling on a soil geochemical target. Diamond drilling confirmed the presence of a large porphyry-style deposit. After a delay of almost 12 months caused by the global financial crisis, evaluation of the Anthony deposit recommenced in late 2009. Zamia remains focussed on the Clermont district. As a result of the Anthony discovery, Zamia has identified other targets with potential for molybdenum, gold and possibly copper.

About Molybdenum

Molybdenum, a metal with an extremely high melting point, is widely used in the steel industry as it improves the strength of steels at high temperature as well as strength to weight ratios and corrosion resistance. It also has uses as a catalyst in petroleum refining, in the production of electrodes and filaments, as a high temperature lubricant and as a fertiliser.

Global demand for molybdenum has been predicted to grow at 4 - 5% per year over the next twenty years. Molybdenum is currently trading at around US\$17.25 /lb (US\$38,000 /tonne). Industry experts forecast prices around US\$20 /lb (US\$44,000 /tonne) in 2011.

For further information on Zamia and molybdenum, visit the website www.zamia.com.au

Competent Person

Dr Ken Maiden, MAIG FAusIMM, Executive Chairman of Zamia Metals Limited, compiled the geological technical aspects of this announcement. 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.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Phillip Hellman. Dr Hellman, FAIG, is a Director of Hellman & Schofield Pty Ltd ('H&S') and qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates in the form and context in which they appear and takes responsibility for resource estimation. Ordinary Kriging into blocks with dimensions 20 x 20 x 6 metres was used with a maximum search of 90 x 90 x 60 metres and a minimum number of 10 3m composites to estimate Inferred Resources. The reporting shell is based on a Mo price assumption of US\$30/lb. The responsibilities for the quality and completeness of data that underpins the resource estimation work is taken by Zamia.