



ASX:ZGM

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Company Announcements Office
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FURTHER HIGH GRADE MOLYBDENUM AT ANTHONY

HIGHLIGHTS

- **High grade molybdenum (Mo) intersected south of the current resource**
- **Resource upgrade expected shortly**
- **Preliminary flowsheet developed for recovery of Mo from near-surface oxide molybdenum resource**

SUMMARY OF ASSAY RESULTS

Assays from further reverse circulation (RC) drill holes completed in January at Zamia's Anthony molybdenum (Mo) discovery north of Clermont in central Queensland are now available. The assays for these latest holes show additional high grade molybdenum to the south of the current resource:

- Hole RC63, in the southeast of the Anthony deposit has a 171 metre (m) continuous sulphide intersection to the end of hole assaying 558 parts per million (ppm) Mo. This intersection includes a continuous 21m interval at 1025 ppm Mo and additional 6m and two 3m intersections assaying above 1000 ppm Mo. The overlying oxide and partially oxidised zone assayed 452 ppm Mo for 81m from surface.
- Also in the southeast of the Anthony deposit, Hole DDT65, a diamond twin hole for RCD51, assayed 920 ppm Mo for the full 48m sulphide Mo intersection, including 36m at 1168 ppm Mo. The overlying oxide and partially oxidised zone assayed 674 ppm Mo over 96m including 22m at 1239 ppm Mo.
- In the south of the Anthony deposit, Hole RC70 has a 104m sulphide Mo intersection assaying 549 ppm Mo, including separate 6m and 3m intervals exceeding 1000 ppm Mo. The last sample of this hole from 204 to 206m assayed 1330 ppm Mo.
- Hole DD64 was drilled at the northern edge of the Anthony deposit to investigate surface stockwork veining. The hole intersected significant pyrite, relatively low Mo values and minor chalcopyrite at depth.
- Hole DD67 was drilled to the east to target underneath and to the east of the low grade central core of the deposit. Based on previous drilling, the hole was expected to lift and drill at a much shallower angle. When it did not do so the hole was abandoned short of its target.

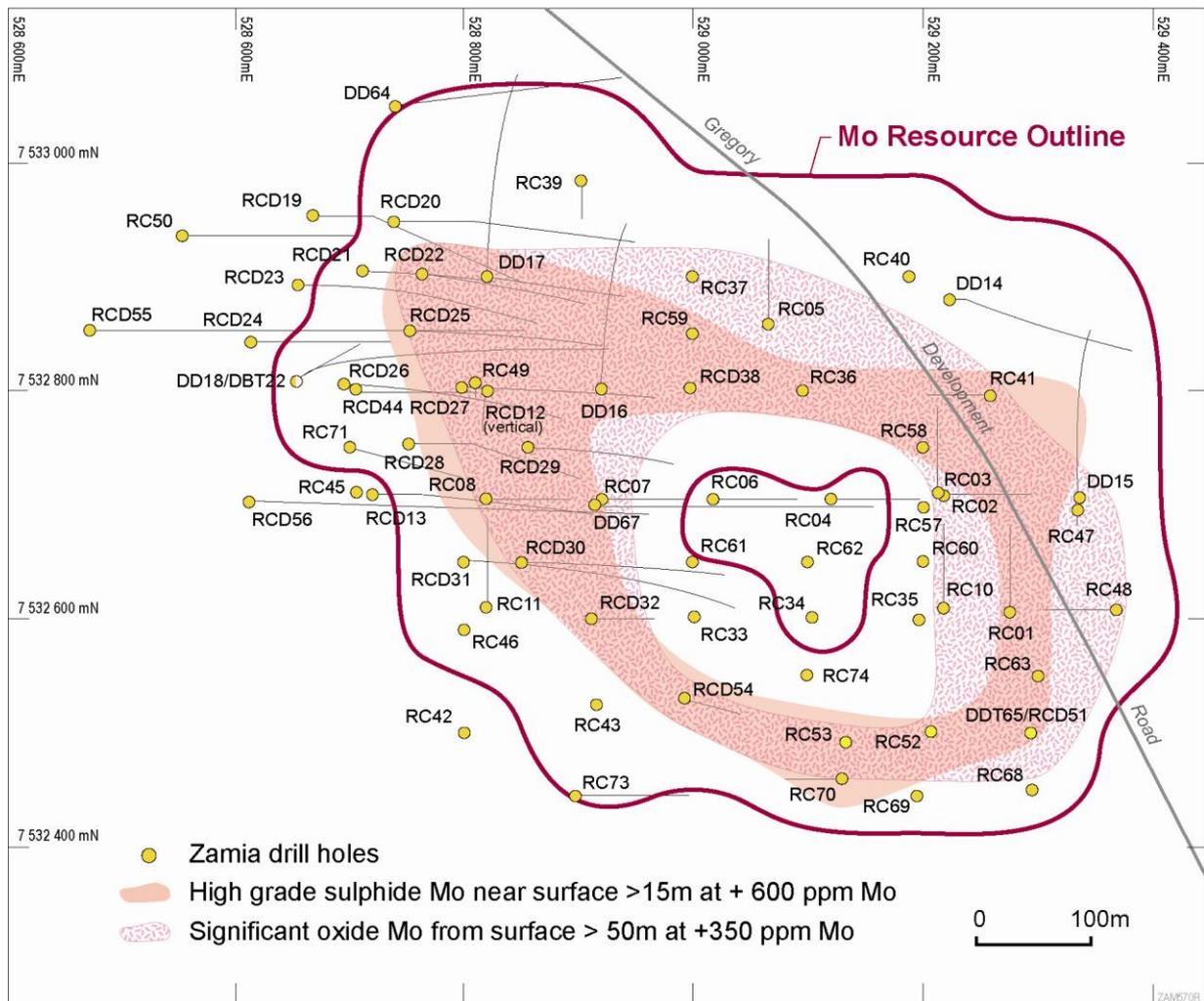
The latest assays are summarised in Table 1. This table also includes data from two other holes, RC68 and RC69.

Table 1: Summary of assays for latest holes

Hole	Location and Comment	Average dip (degrees)	Zone	From (m)	To (m)	Length (m)	Mo (ppm)
RC63	South east	90	Oxide/partial	0	81	81	452
			Sulphide	81	252 EOH	171	558
including				84	90	6	1013
incl				117	120	3	1007
incl				123	144	21	1025
incl				159	162	3	1060
DD64	North outside resource	60	Oxide/partial	0	110	70	44
			Sulphide	110	698 EOH	588	74
DDT65	South east. RCD51 twin	90	Oxide	8 (first sample)	68	60	503
			Partial	68	104	36	959
including				78	100	22	1239
			Sulphide	104	152 EOH	48	920
including				104	140	36	1168
DDS66	Scout Hole	60	No results yet				
	1500m west						
DD67	Centre. Did not lift as planned	74	Partial	92 (first sample)	112	20	187
			Sulphide	112	388 EOH	276	78
including				162	164	2	1280
RC68	South east	84	Oxide/partial	0	114	114	268
			Sulphide	114	252 EOH	138	176
RC69	South	81	Oxide/partial	0	78	78	309
			Sulphide	78	252 EOH	174	293
including				246	252 EOH	6	482
RC70	South	75 dip and drilled west	Oxide/Partial	0	102	102	359
			Sulphide	102	206 EOH	104	549
including				150	153	3	1010
incl				165	171	6	1034
incl				204	206 EOH	2	1330

Note: EOH is end of hole

Together with previously reported results, these assays indicate that there is a significant “donut” of +350 ppm oxide Mo from surface as well as a relatively shallow +600 ppm Mo sulphide “donut” underlying the oxide Mo, as shown in the following figure.



Drill hole location map showing significant surface oxide zones and shallow high grade sulphide zones underneath

DRILLING STRATEGY

- RC drilling is continuing at the Anthony deposit based broadly on a 100m (east-west) by 50m (north-south) grid. Holes RC71, RC73 and RC74 have been drilled so far during February but assays are not yet available.
- Diamond drilling has focussed on scout holes to test targets near Anthony and twin holes for quality/metallurgical sample purposes. So far two scout holes have been drilled about 1.5 kilometres west of Anthony. One twin hole has been completed.
- Further diamond tails, particularly in the south and east of the deposit will be drilled at Anthony following evaluation of the current RC programme.

OXIDE Mo PROCESSING

As previously reported, the Anthony deposit is weathered (oxidised) to 60 – 80m depth. Within the weathered zone, molybdenum is combined with iron in various oxide minerals. This material constitutes “overburden” to the sulphide Mo mineralisation. In September 2010, resource consultants Hellman & Schofield Pty Ltd estimated an Inferred Resource of 63 million tonnes at 400 ppm Mo for this material.

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The economics of any future Anthony development would be enhanced if the Company is able to develop a process that extracts a saleable molybdenum compound from the oxide resource, such that it recovers part or all of the cost of removing the oxide Mo overburden as required for sulphide Mo mining and processing.

With this in mind, Zamia commissioned metallurgical research on the oxide mineralisation as part of the current scoping study for a molybdenum mining and processing operation based on the Anthony resource.

An external research laboratory has now been able to leach over 90% of the molybdenum from a bulk sample of oxide Mo mineralisation. Subsequent tests showed that the molybdenum in solution was very amenable to solvent extraction.

As a result of this work, an indicative processing flow sheet and reagent usage have been developed. Future work will focus on identifying major cost components and then developing a programme to optimise processing and potential costs.

FUTURE PROGRAMME

As previously indicated, Zamia plans to carry out the following work during the first half of 2011 and beyond:

- Continue detailed exploration of the Anthony molybdenum deposit to determine its extent, both laterally and at depth by both RC drilling and diamond tails.
- Update the Anthony resource estimation as further assays become available. A new resource update is currently being prepared.
- 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-style deposits.
- Continue to test other targets (for gold, molybdenum and copper) within the Clermont district.



Ken Maiden
Executive Chairman

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 /lb (US\$37,000 /tonne). Industry experts forecast prices around US\$20 /lb (US\$44,000 /tonne) in 2011, rising considerably in later years.

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.