



ASX:ZGM

24 March 2011

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

MORE MOLYBDENUM FROM DEEP DRILLING AT ANTHONY

HIGHLIGHTS

- **New diamond drilling confirms a southern high grade zone**
- **Additional drilling in progress to expand the resource**
- **Assays for holes not included in previous resource estimation**

Background

Zamia Metals is continuing reverse circulation (RC) and diamond drilling at its Anthony molybdenum discovery in central Queensland. On 25 February 2011, Zamia announced an increase in the Inferred Resource in primary (sulphide) molybdenum mineralisation to 173 million tonnes (Mt) at 430 parts per million (ppm) Mo, including 20 Mt at 810 ppm Mo. Compared to the previously announced resource in September 2010, this represented an overall resource increase of 19% and a 55% increase in the high grade resource above a 600 ppm Mo cut-off grade.

Much of that resource increase came from deep drilling in the western high grade zone but a number of previous holes indicated the presence of high grade molybdenum at depth in the east and south of the deposit. Recent diamond drilling has focussed on extending previously-drilled shallow reverse circulation (RC) holes to greater depth.

Extending high grade zone in the south

As indicated in the announcement of 14 March 2011, assays of holes RC53, RCD54 and RC70 as well as previously reported RCD51 and RC52 resulted in significant Mo intersections assaying over 1000 ppm Mo. See drill hole map for locations.

The two holes previously deepened in the south were RCD51 and RCD54.

- RCD 51 assayed **1364 ppm Mo** from 84m to 102m in the partial oxide/sulphide zone; 369 ppm Mo from 102m to 294m in the sulphide zone including **1364 ppm Mo** from 120m to 135m; and **1041 ppm Mo** from 272m to 280m.
- RCD54 assayed 550 ppm Mo in the sulphide zone from 108m to 404m (EOH) with eleven separate 2m to 4m intervals exceeding **1000 ppm Mo**.

The assays for holes in the southern molybdenum zone are summarised in table 1. They were so encouraging that it was decided to deepen additional holes in the south to test the depth of this southern zone.

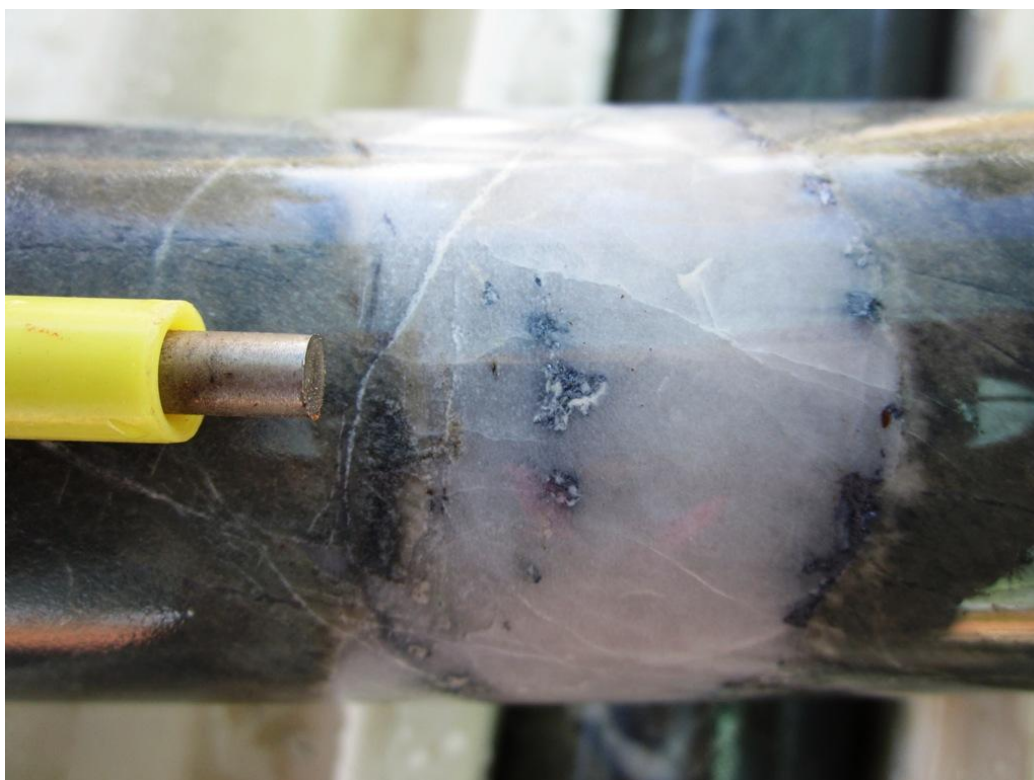
The first hole extended in the south of Anthony in this programme has been the vertical hole RCD69 (see map for location). This hole was selected based on an evaluation of the geology, its location and its assays. Previous RC drill samples had assayed 293 ppm Mo from 78 to 252m including an increase to 482 ppm Mo in the bottom 6m (from 246 to 252m).

The hole was extended to 399m and molybdenum mineralisation was observed throughout with an apparent increase in grade towards the end of the hole. Examples of photos of core from RCD69 at various depths follow.



RCD69 at 260.85m: Quartz molybdenite (blue-grey colour) pyrite (yellow) vein in Anakie meta-sediment.

Note: The core is 47.6 mm diameter. A 1 mm molybdenite vein in a 1 metre length of core would assay approximately 1000 ppm Mo (0.1% Mo).



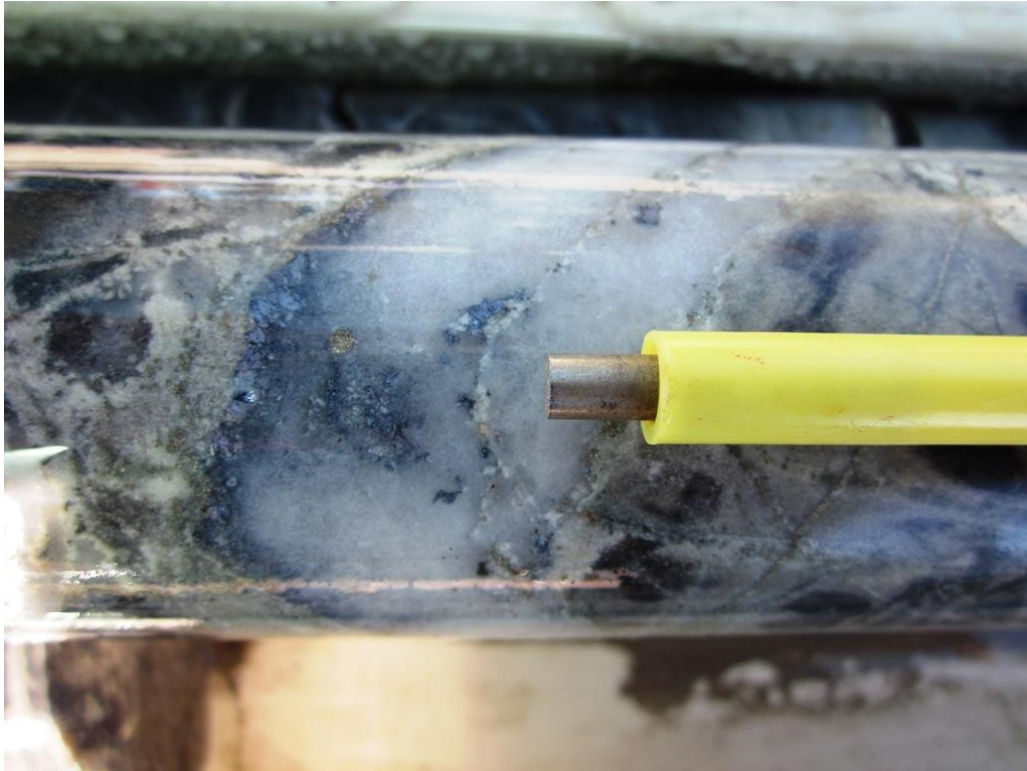
RCD69 at 282m: Quartz molybdenite vein in Anakie metasediment
Note: The yellow portion of the magnet pen is 8 mm in diameter



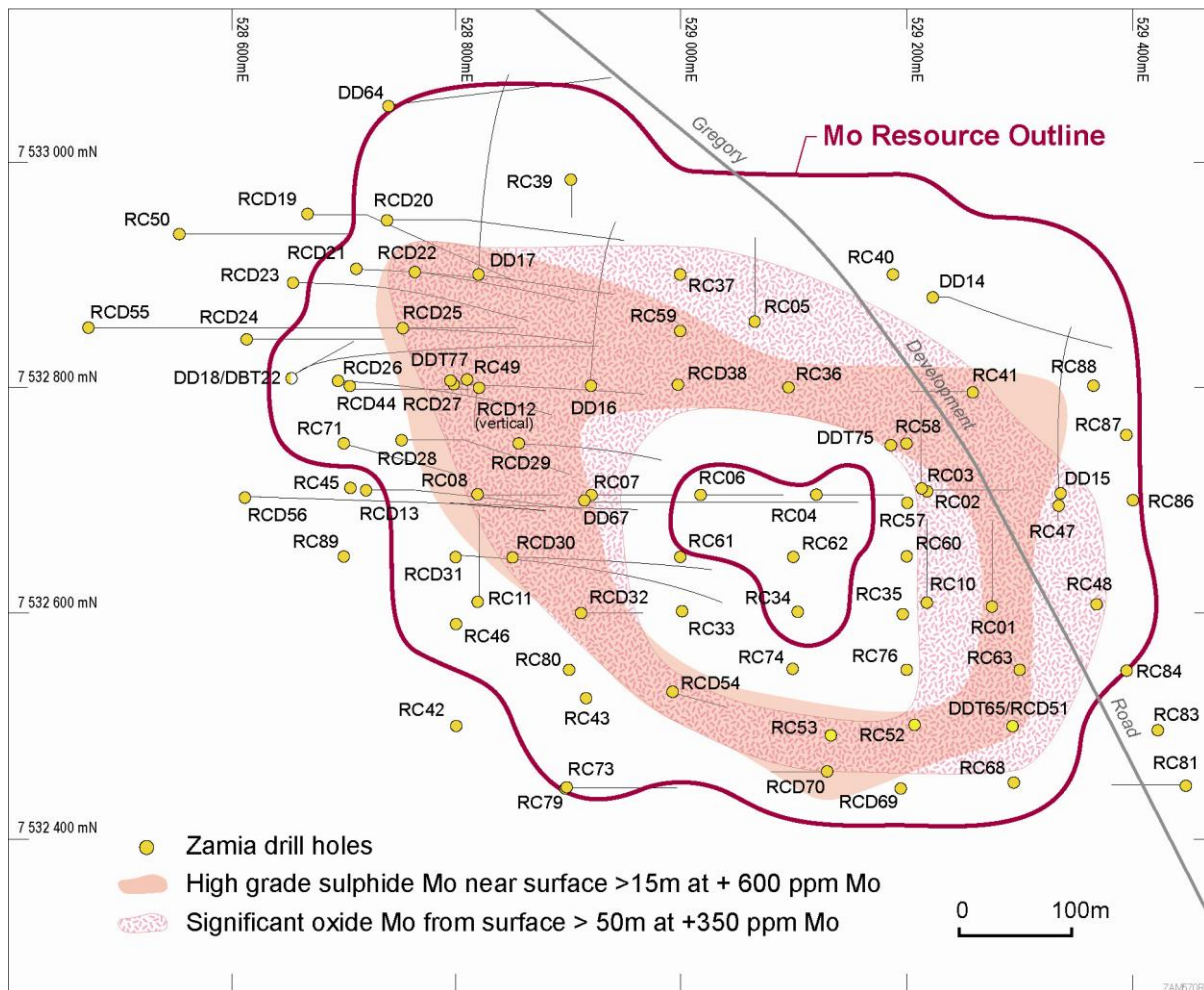
RCD69 at 320.1m: Coarse molybdenite (blue-grey) in quartz stockwork.



RCD69 at 360.5m: Parallel quartz molybdenite veins in strongly sericite altered Anakie metasediments



RCD69 at 395m: Coarse molybdenite (blue-grey) in thick quartz vein.



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

Note: RC81, RC83, RC84, RC86, RC87 and RC88 in the east and RC89 in the west have not been analysed yet. They are all on the edges or outside of the current Mo resource outline.

Extension drilling has commenced on the next hole to be extended in the south, RCD70. It was previously drilled west at a dip averaging 60 degrees to a hole depth of 206m. This hole assayed 549 ppm Mo over 104m (from 102 to 206m to end of hole) including **1330 ppm Mo** in the bottom two metres.

Table 1: Summary of assays for holes in the main southern molybdenum zone

Hole	Location	Dip (degrees)	Zone	From (m)	To (m)	Length (m)	Mo (ppm)
RCD51	Located in south east of Anthony deposit	90 (vertical)	Oxide	0	66	66	564
			including	33	45	12	1034
			Partial	66	102	36	935
			incl	84	102	18	1364
			Sulphide	102	294	192	369
			incl	120	135	15	1041
			incl	272	280	8	1036
				294	470	176	242
RC52	South	90 (vertical)	Oxide	0	69	69	395
			Partial	69	102	33	370
			Sulphide	102	210 EOH	108	571
			incl	105	120	15	1014
			incl	150	153	3	2510
RC53	South	90 (vertical)	Oxide	0	69	69	371
			Partial	69	87	18	432
			Sulphide	87	252 EOH	165	487
			incl	249	252 EOH	3	1435
RCD54	Located in south and drilled east	75	Oxide	0	99	99	356
			Partial	99	108	9	662
			incl	105	108	3	1310
			Sulphide	108	404 EOH	296	550
			incl	123	132	9	1125
			incl	11 separate 2 to 4m intervals			>1000
RC68	South east	84	Oxide	0	45	45	235
			Partial	45	114	69	289
			Sulphide	114	252 EOH	138	176
RC69	South	81	Oxide	0	54	54	327
			Partial	54	78	24	270
			Sulphide	78	252 EOH	174	293
			incl	246	252 EOH	6	482
RC70	Located South and drilled west	75	Oxide/Partial	0	66	66	339
			Partial	66	102	36	396
			Sulphide	102	206 EOH	104	549
			incl	150	153	3	1010
			incl	165	171	6	1034
			incl	204	206 EOH	2	1330
RC73	Located South West and drilled east	65	Oxide	0	102	102	232
			Partial	102	135	33	177
			Sulphide	135	252 EOH	117	359
			incl	165	168	3	1650
			incl	183	186	3	1305
			incl	213	216	3	1375

Note: EOH is end of hole

In summary, this drilling confirms the presence of a southern high grade zone and indicates that further drilling is likely to result in a material increase in the Anthony resource.

Assays not yet included in Inferred Resource

As at the date of this release, RC drilling has been completed up to hole RC89 and a number of holes are planned to target additional resources in the northern molybdenum zone.

Data from holes RC68, RC70, RC71, RC73, RC74, RC76, RC79 and RC80 are now available but were not included in the Inferred Resource announced on 25 February 2011. RC68, RC70 and RC73 are in the main southern molybdenum zone and the assays are summarised in table 1 above.

RC71 was located on the western edge of the Anthony resource outline and drilled east at an average 65 degree dip. This hole assayed 120 ppm Mo from 0m to 57m in the oxide zone, 63 ppm Mo from 57m to 87m in the partially oxidised zone and 215 ppm Mo from 87m to 252m (EOH). The bottom 21m assayed 479 ppm Mo as the hole approached the western high grade zone.

RC74, RC76, RC79 and RC80 all had significant intervals above 200 ppm Mo and were found to be on the edges of the southern high grade zone. The assays are summarised in table 2 below.

Table 2: Summary of assays for latest holes on edges of southern molybdenum zone


Hole	Location	Dip (degrees)	Zone	From (m)	To (m)	Length (m)	Mo (ppm)
RC74	Upper south near barren centre	90	Oxide	0	69	69	222
			Partial	66	90	24	287
			Sulphide	90	252 EOH	162	239
RC76	Upper south near barren zone	90	Oxide	0	69	69	229
			Partial	69	120	51	222
			Sulphide	120	246 EOH	126	207
RC79	South West	90	Oxide	0	99	99	223
			Partial	99	120	21	38
			Sulphide	120	252 EOH	132	149
			including	240	243	3	2100
RC80	South West	90	Oxide	0	90	90	353
			Partial	90	120	30	239
			Sulphide	120	252 EOH	132	312

Note: EOH is end of hole

Future programme

Based on data obtained to date, Zamia will now focus on the following work during the next 6 months:

- 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.
- Continue exploration, including diamond drilling, around Anthony to test for other porphyry-style deposits.
- Continue to test other targets (particularly gold 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.