



ASX:ZGM

19 October 2010

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

ANTHONY MOLYBDENUM EXTENDED AT DEPTH

- **Deep diamond drilling (DD) shows Anthony molybdenum (Mo) deposit extends to at least 600 metres (m) vertical depth**
- **Visual examination of DD core in Hole RCD56 (drilled at 60 degrees) indicated a mineralised Mo intersection of at least 500m including an observed higher grade zone of over 200m**
- **Visual examination of DD core in Hole RCD55 (drilled at 60 degrees) indicated a mineralised Mo intersection of at least 160m**
- **Core samples are currently being assayed**

Deep Diamond Holes Completed

As announced on 16 July 2010, Zamia decided to supplement the previous drilling programmes at its Anthony molybdenum discovery in central Queensland with deep diamond holes to test the deposit at depth. The initial two holes, RCD55 and RCD56, have been completed to depths of 803m and 727m respectively. Visual examination of diamond drill core from both holes indicates significant intervals of molybdenum mineralisation at depth and below high grade intersections of previous shallower holes.

Hole RCD55 targeted Section 2850N (See Figure 1) and Hole RCD56 targeted Section 2700N (see Figure 2). Both holes were drilled at a dip of 60 degrees.

Extensive Molybdenum Mineralisation

Visual examination of the core from each of the drill holes to date resulted in the following:

- **RCD55: Molybdenum mineralisation observed from 600m to 763.5m.**
- **RCD56: Molybdenum mineralisation observed from 200m to 715m with apparently higher grade molybdenum mineralisation observed from 330m to 560m.**

Samples from these holes have been sent for assay. Results are expected within the next three weeks. However, from the visual observations, it is interpreted that the shallow high grade zones extend at depth. Based on these observations, it is anticipated that the previously announced sulphide resource of 130 million tonnes (Mt) at 400 ppm Mo (including higher grade zones of 15 Mt at 730 ppm Mo) will increase significantly as a result of the deep diamond drilling completed and further planned diamond tails on previously-drilled holes.

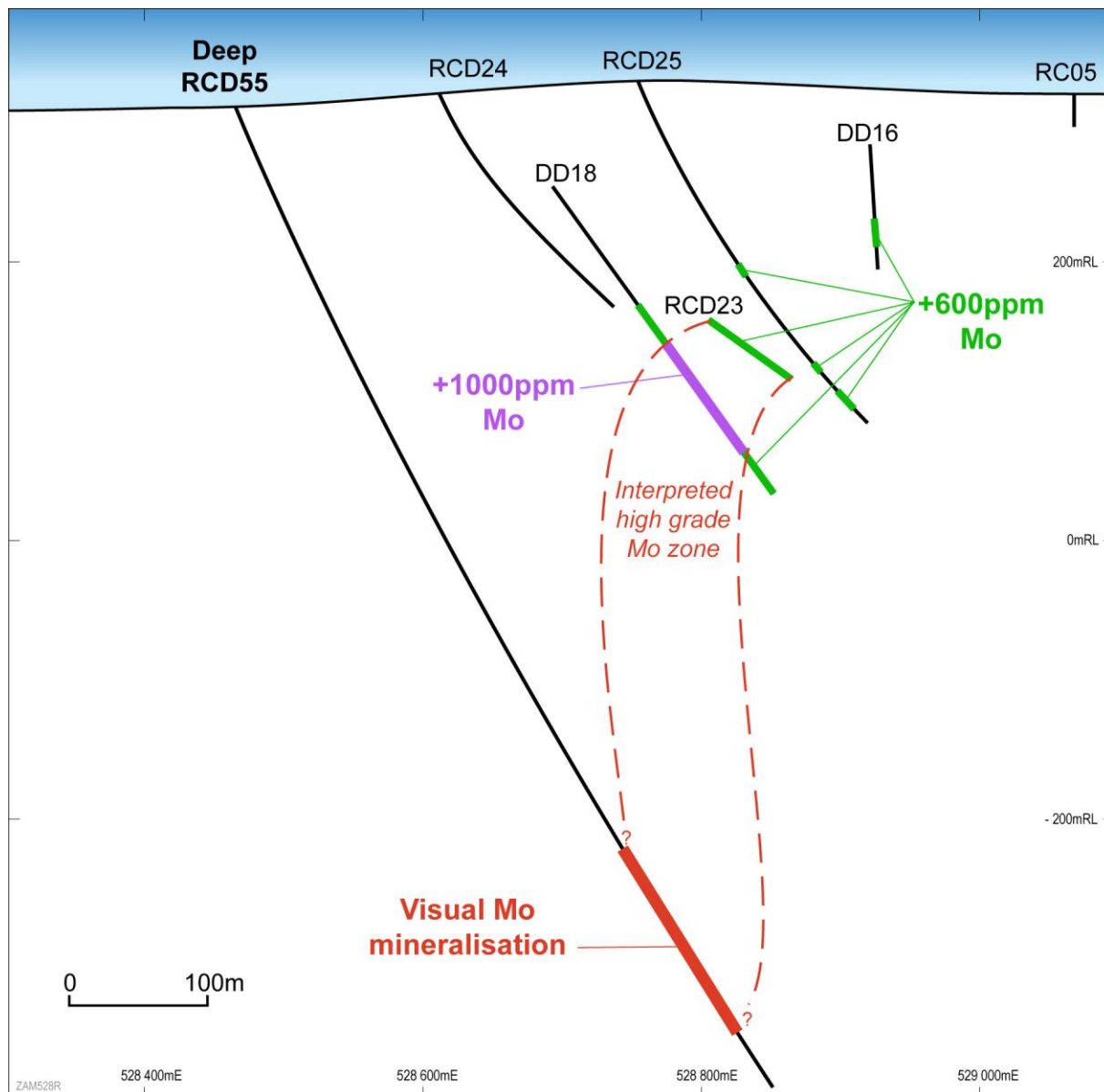


Figure 1: Section 2850N showing higher grade Mo assays in shallow holes and extent of visual Mo mineralisation observed from inspecting diamond core of Hole RCD55.

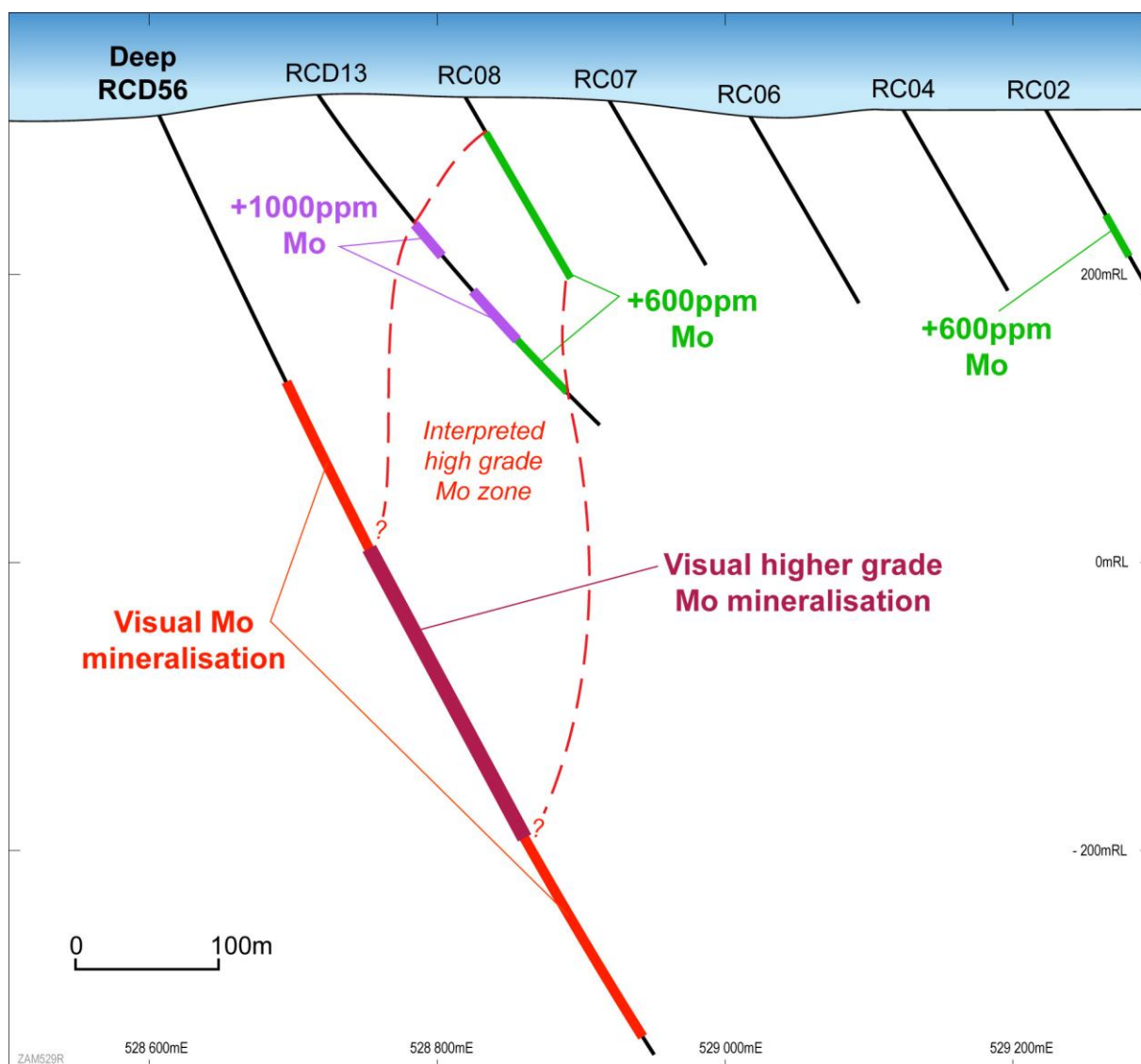


Figure 2: Section 2700N showing higher grade Mo assays in shallow holes and visual Mo mineralisation observed from inspecting diamond core of Hole RCD56.

Current Holes to be Deepened

Encouraged by the observations of the extensive Mo mineralisation at depth in holes RCD55 and RCD56, it is proposed to drill diamond tails on a number of existing reverse circulation (RC) holes. These holes (currently proposed as 04, 07, 31, 32, 38, 44, 51 and 54) will also test the depth extensions of the resource to approximately 400m vertical depth. The drill hole locations are indicated on Figure 3.

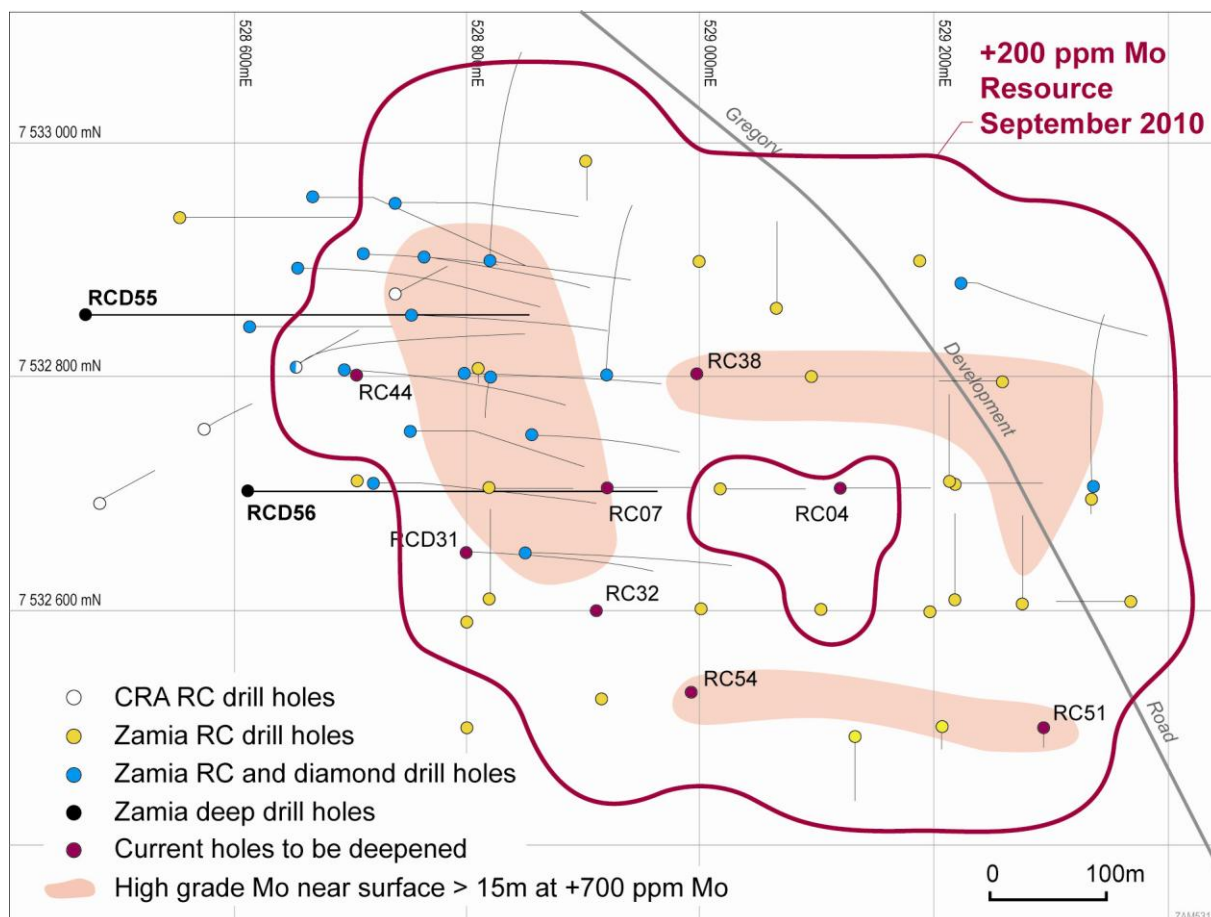


Figure 3: Drill hole locations, showing completed RCD55 and RCD56 as well as RC holes proposed to be deepened with diamond tails. The Hellman and Schofield +200 ppm Mo resource outline is also shown.

Photos of Drill Core

A number of photos of drill core showing molybdenum mineralisation from holes RCD55 and RCD56 are attached. It should be noted that a 1 mm vein in a 1 metre core length represents high grade mineralisation at approximately 1000 ppm or 0.1% Mo.

Future Programme

Following these deep drill holes, Zamia now plans the following programme during the remainder of 2010:

- Drill diamond tails on selected RC holes to test the depth extensions of the resource.
- Drill RC holes to test key gaps in drilling to date and to test extensions to the resource to the south.
- Progressively update the resource estimate as further significant information becomes available.
- Continue with metallurgical testwork and other elements of a scoping study for a molybdenum mining and processing operation based on the Anthony resource.
- Drill shallow gold targets at the Frankfield Hill and West Lucky Break prospects in the Company's Mazeppa tenement (EPM 14790).
- Drill a gold target in the Company's Mount Rolfe tenement (EPM 14792).
- Continue geological mapping and soil geochemical surveys in other tenements to define targets for drill testing.

A handwritten signature in black ink, appearing to read 'K. Maiden', with a large loop at the end of the signature.

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 re-commenced 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.

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.

PHOTOS of Diamond Core from Hole RCD56

Notes:

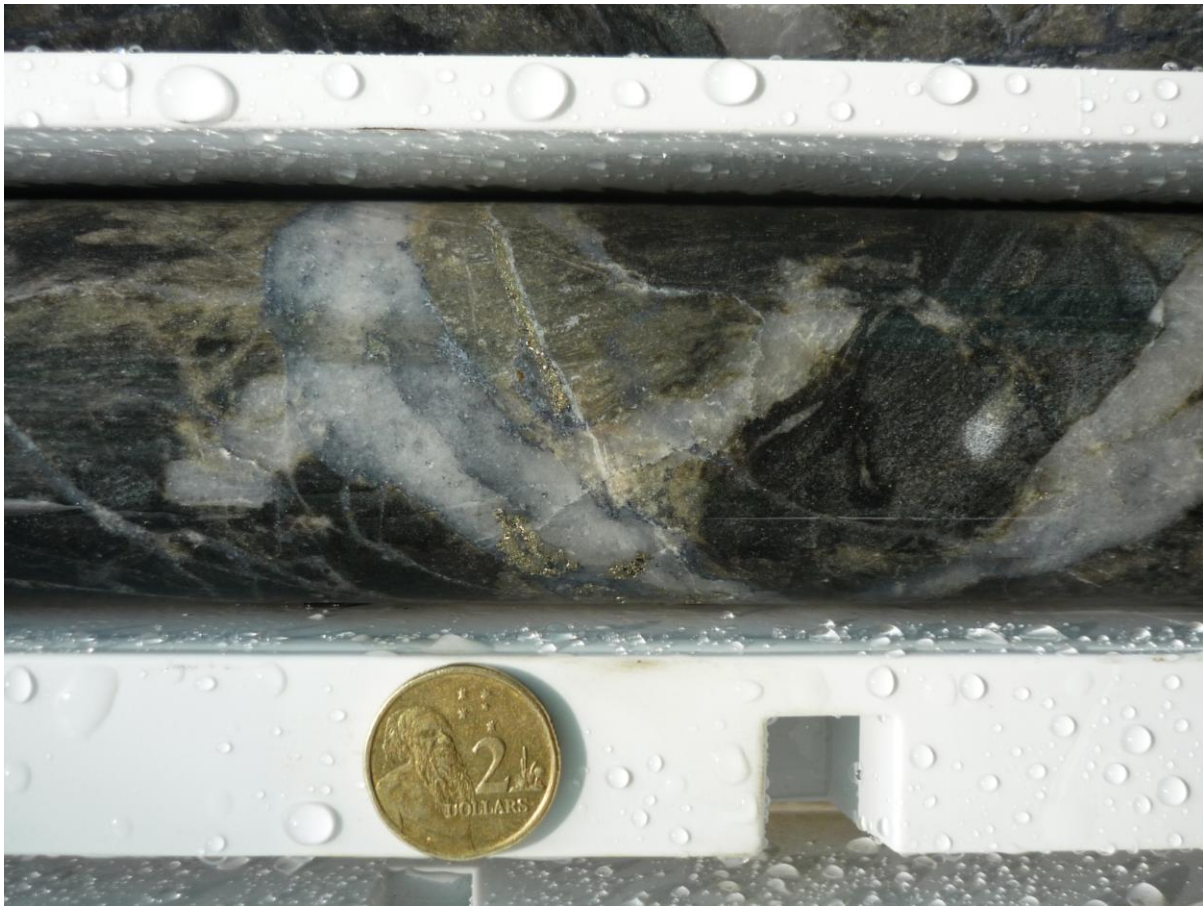
- Molybdenite is the lead-grey colour.
- The \$2 coin is 20mm in diameter.
- A 1mm wide molybdenite vein in 1 metre length of core is high grade at about 1000ppm or 0.1% Mo.



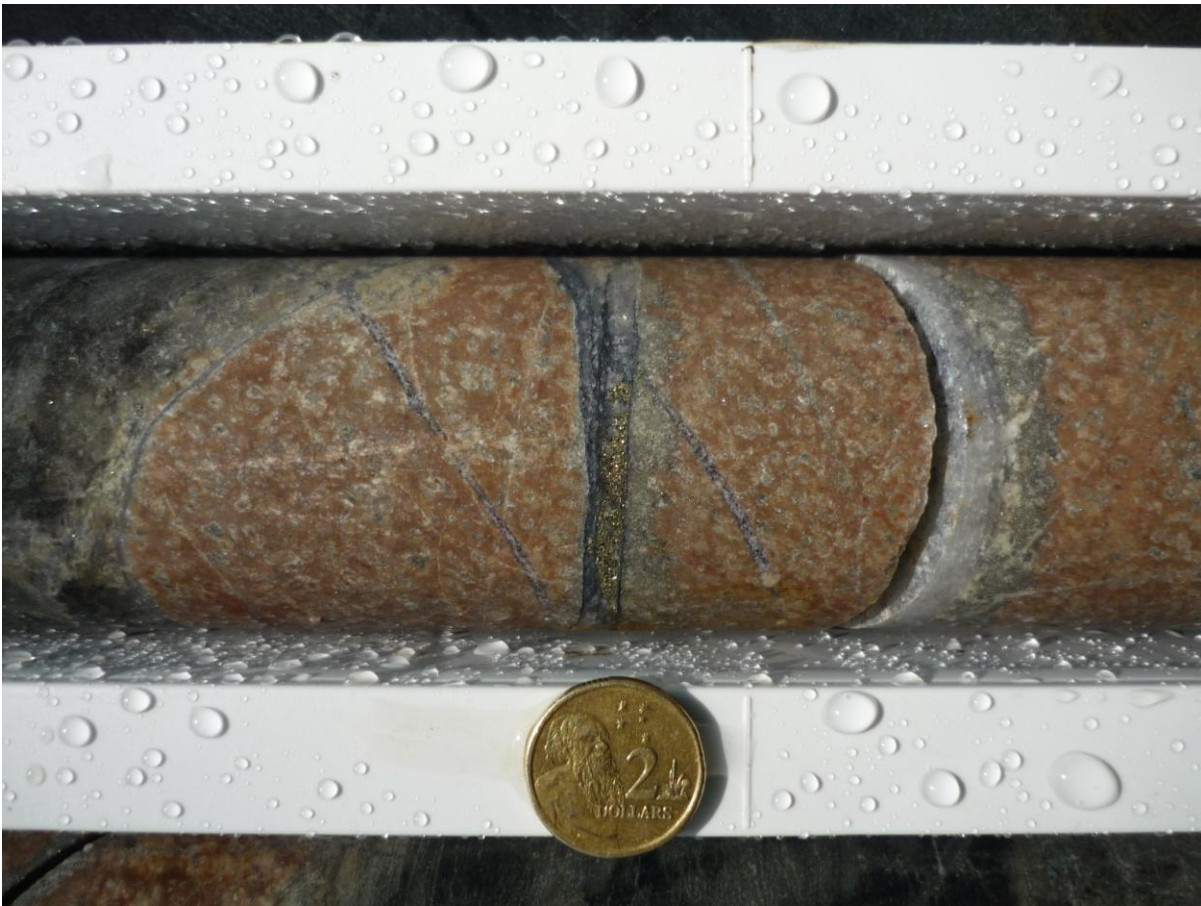
RCD 56 at 347m. Quartz-sericite-molybdenite-pyrite veins featuring sericite vein-selvage alteration within biotite-hornfels.



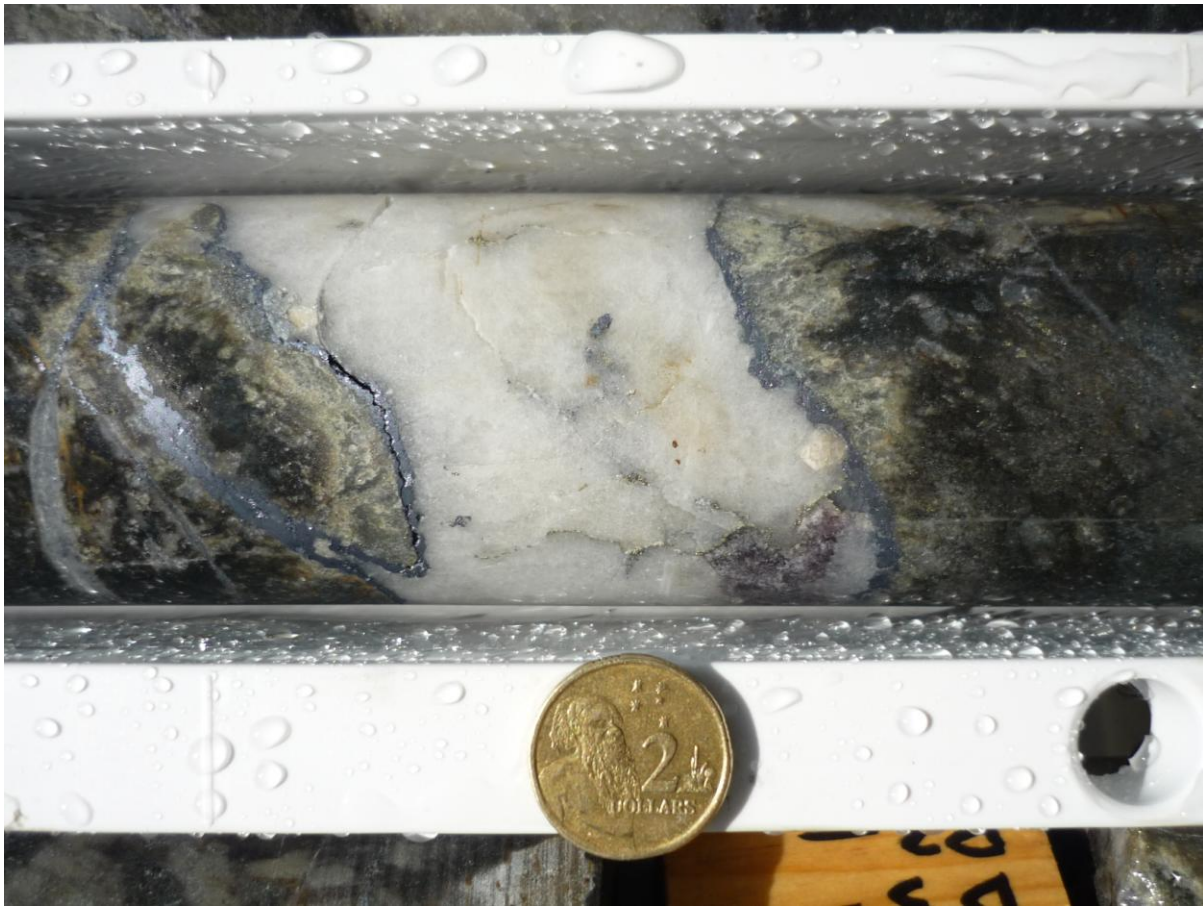
RCD 56 at 422m. Quartz-molybdenite vein featuring sericite-pyrite vein-selvage alteration within biotite-hornfels



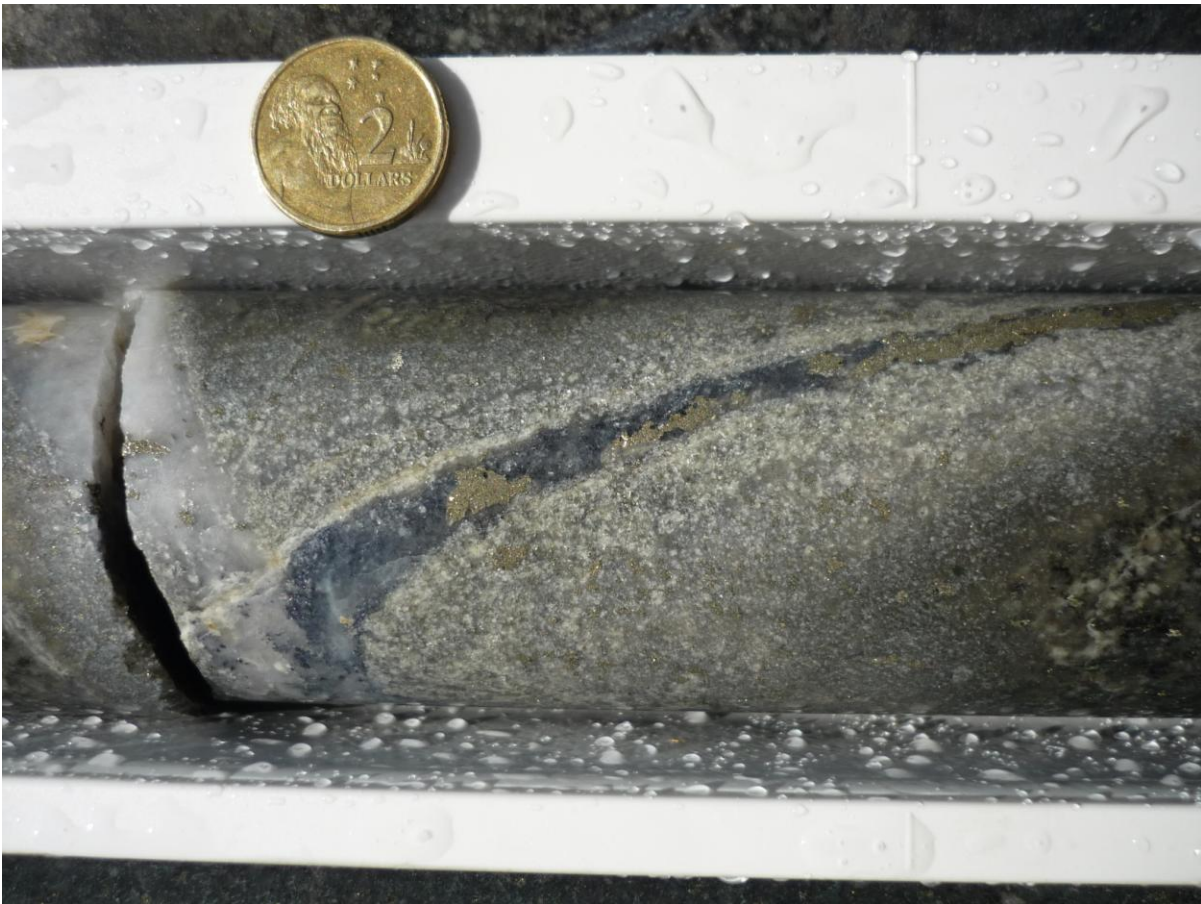
RCD 56 at 469m. Quartz-molybdenite-pyrite-sericite veins featuring scarinoid phyllic vein-selvage alteration in biotite-hornfels



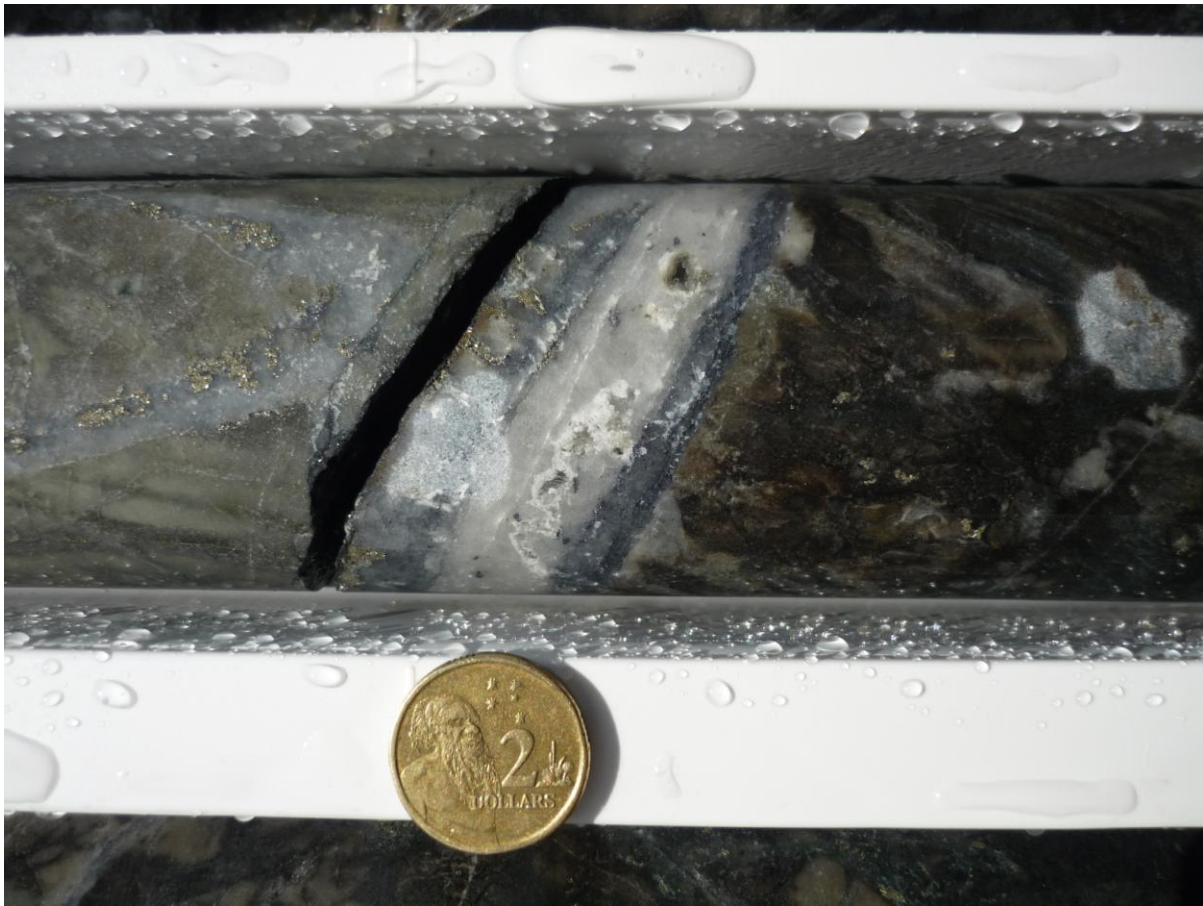
RCD 56 at 483m. Quartz-sericite-molybdenite-pyrite veins within feldspar porphyry featuring strong potassic matrix alteration



RCD56 at 506m. Quartz-molybdenite-sericite vein featuring phyllic vein-selvage alteration within biotite hornfels



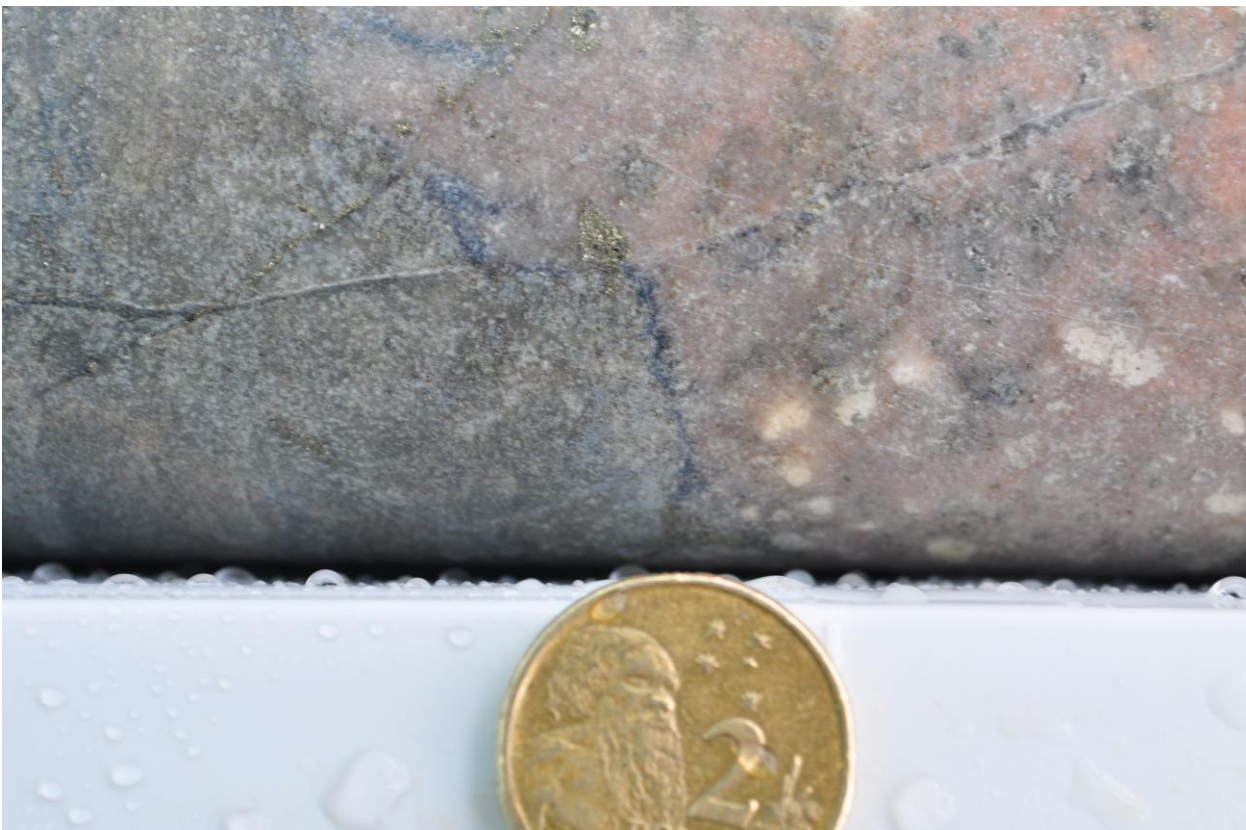
RCD56 at 518m. Quartz-molybdenite-pyrite vein featuring a distinct silica-sericite-pyrite vein-selvage alteration within monzonite host rock



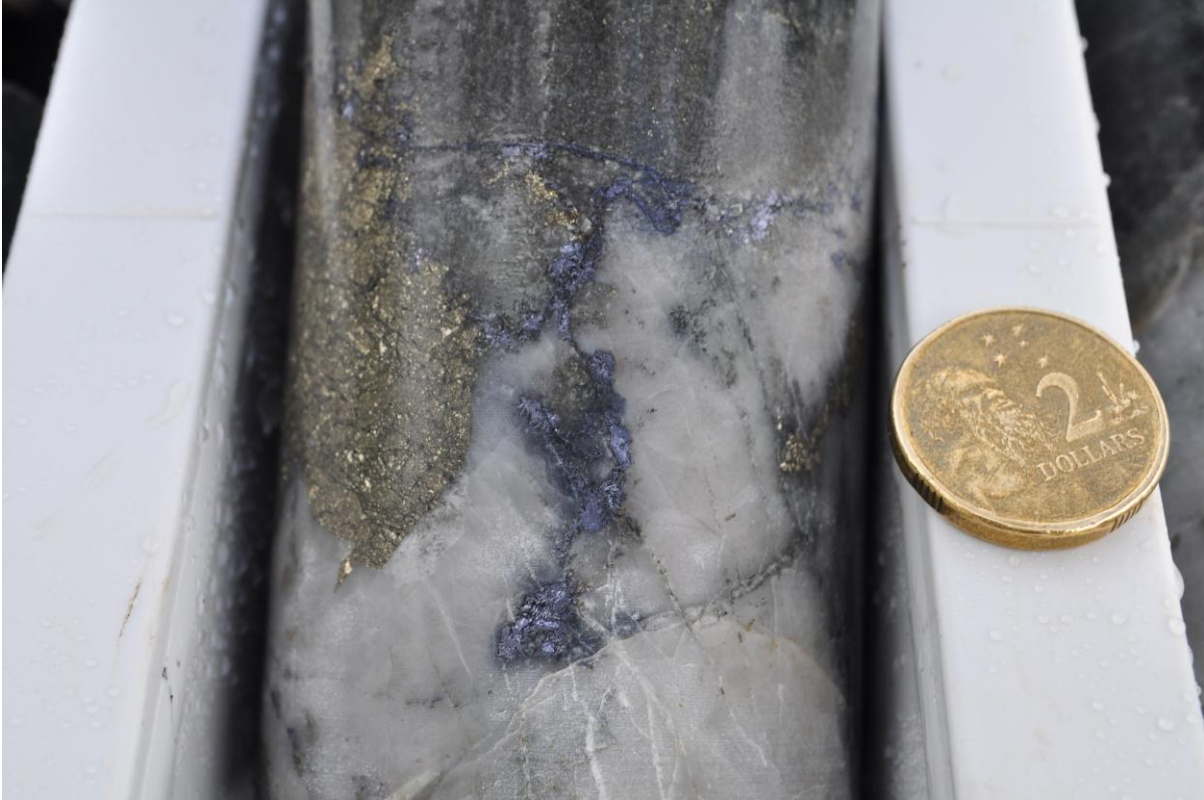
RCD56 at 524m. Quartz-molybdenite-pyrite-sericite veins featuring scarnoid phyllic vein-selvage alteration in biotite-hornfels



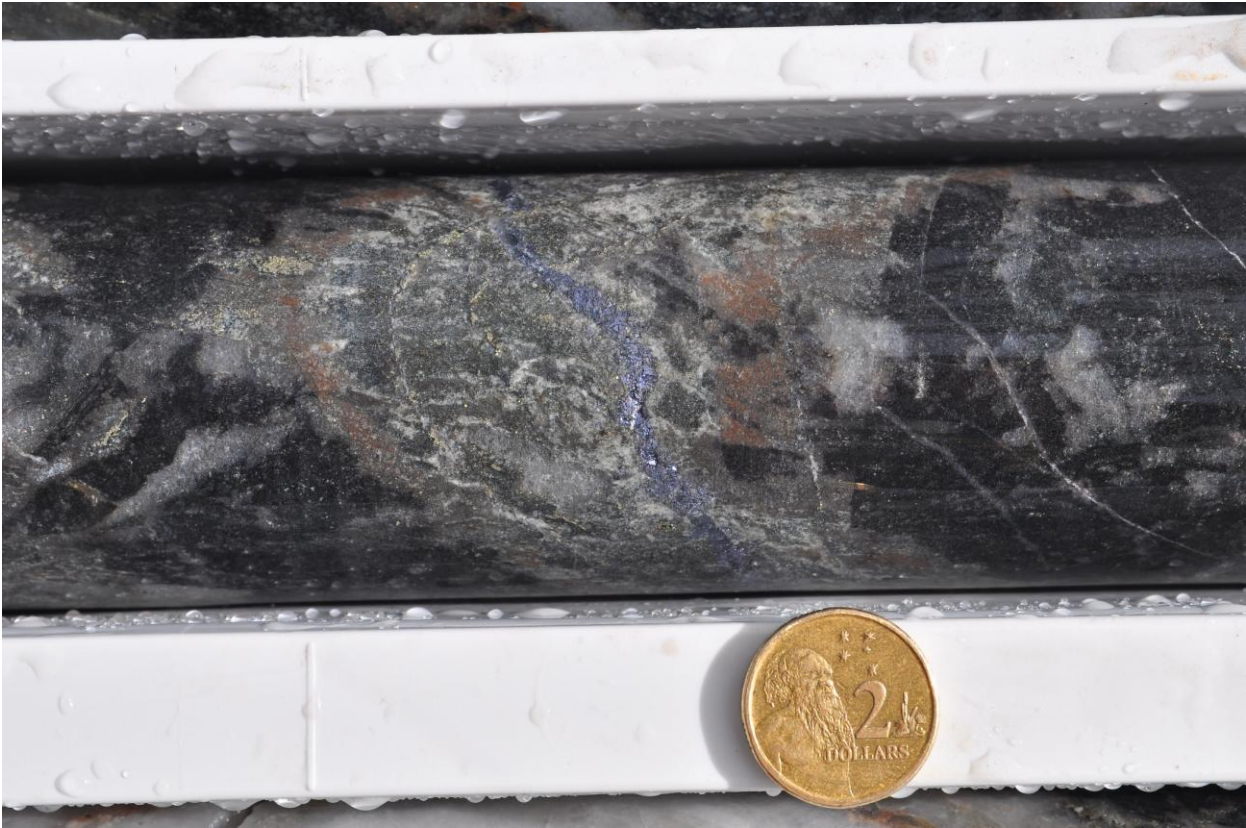
RCD 56 at 625.4m. Coarse grained molybdenite vein cutting across multiple phases of quartz and pyrite veining



RCD56 at 665.4m. Selvages of molybdenite along sericite altered pink feldspar-porphyry intrusion (host rock metasediments)



RCD 56 at 697m. Coarse grained molybdenite and pyrite in coarse grained crystalline quartz vein and molybdenite in selvages along quartz vein

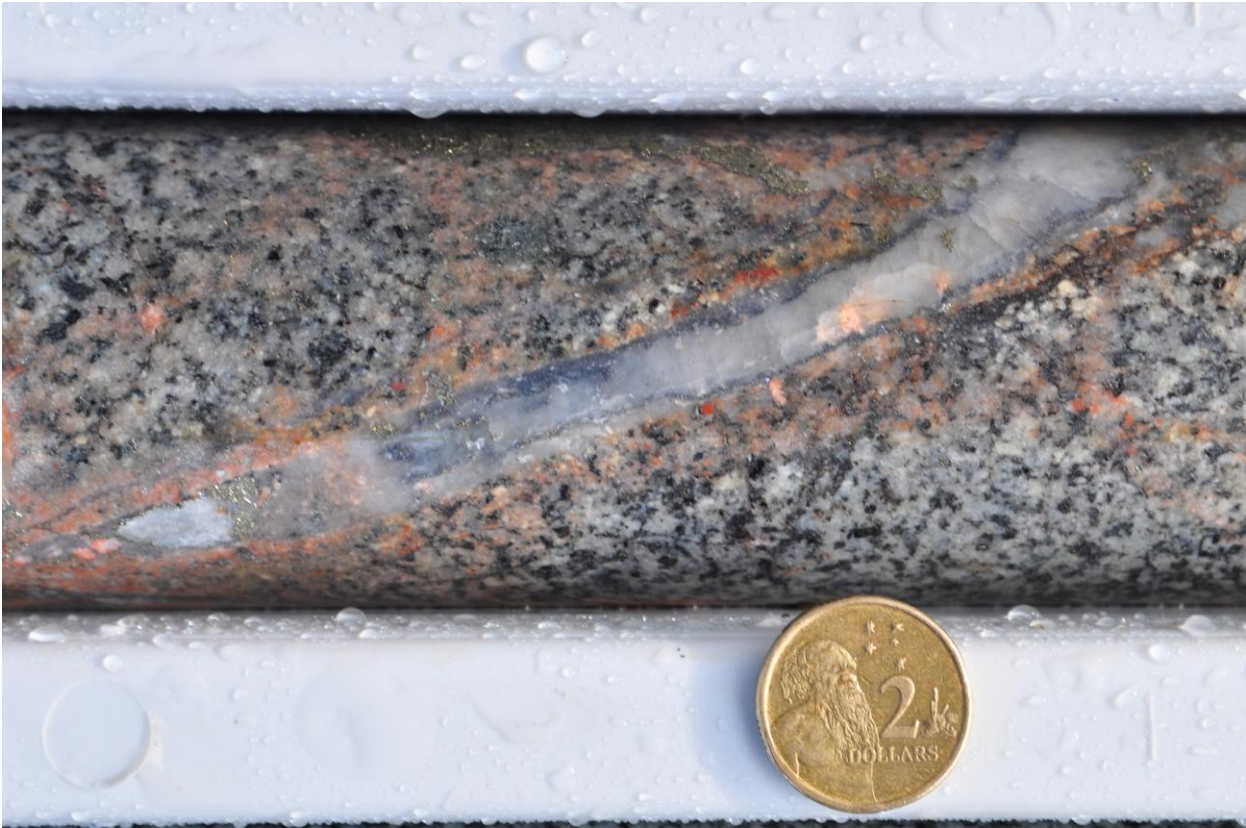


RCD56 at 700m. Coarse grained molybdenite vein rimmed by 5cm wide sericite alteration (host rock metasediments)

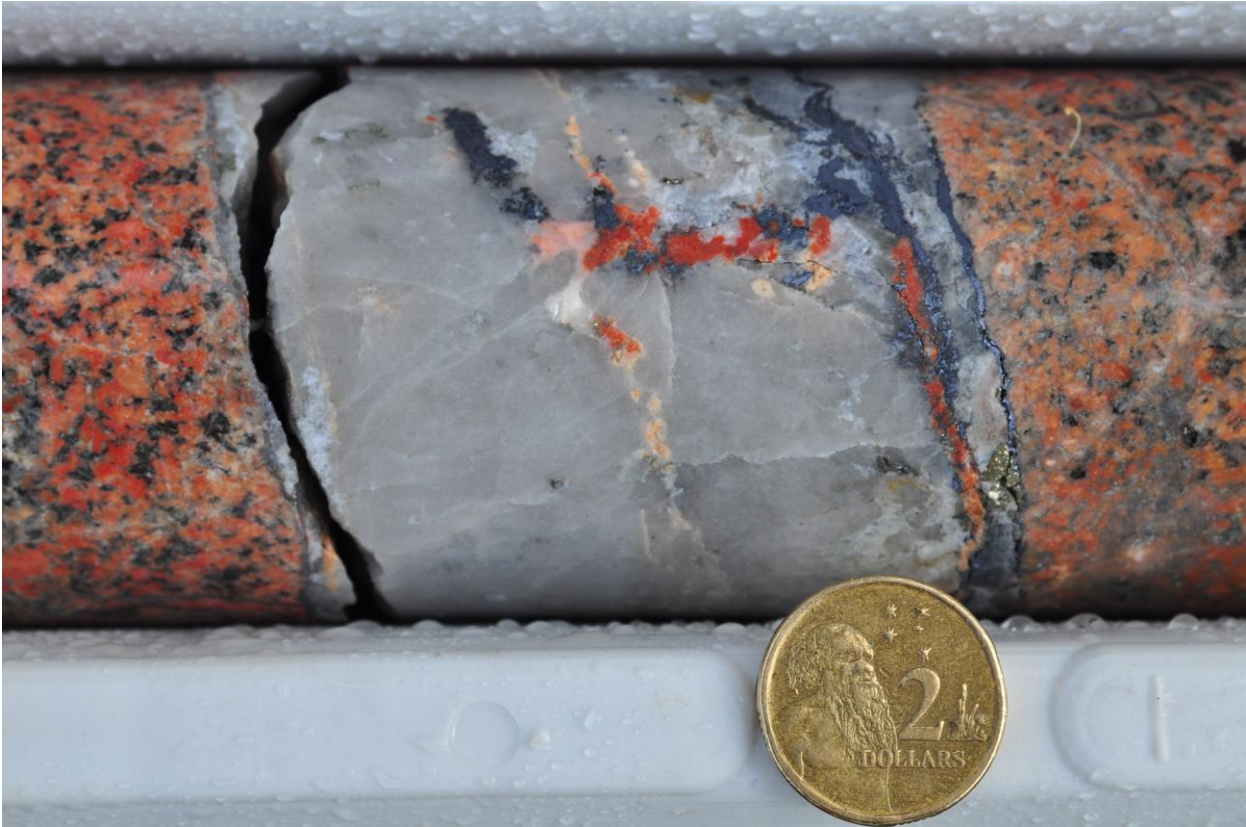
PHOTOS of Diamond Core from Hole RCD55



RCD 55 at 686.95m. Fine grained, disseminated molybdenite and pyrite in fine crystalline quartz vein (host rock monzonite)



RCD55 at 747.4m. Fine grained molybdenite selvages along quartz vein, overprinting k-feldspar stockwork veining in monzonite



RCD55 at 763.5m. Coarse grained molybdenite in coarse grained crystalline quartz vein and in selvages along quartz vein (host rock k-feldspar porphyritic monzonite)