



31 August 2010

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

**EXECUTIVE CHAIRMAN'S ADDRESS TO EGM
TUESDAY, 31 AUGUST 2010 at 11.00AM**

Dear Shareholders

This is the first opportunity I have had to address a General Meeting of our Company since, in May this year, being elected Executive Chairman in addition to my role as CEO.

I was a founding Director and shareholder when Zamia Resources was incorporated in 2004 and I still retain a top 10 shareholding in our Company. Therefore I am very pleased to be able to confirm the significant progress that we have made with the Company's Anthony molybdenum project. Although this has been well reported in announcements to the ASX and to shareholders, a brief summary of the highlights is in order:

- In March this year, we announced a very substantial initial resource of primary (sulphide) material of 81 million tonnes (Mt) at 434 ppm Mo, including a high grade zone of 13.5 Mt at 748 ppm Mo. There is an additional resource of oxide Mo material of 36 Mt at 379 ppm Mo.
- Preliminary metallurgical testwork indicated that molybdenite can be readily concentrated from the host rock after crushing and grinding.
- Initial beneficiation tests indicate the likelihood that primary Mo material can be simply and cheaply upgraded prior to concentration by flotation (ASX release 13 May 2010). This would have the effect of reducing capital costs and increasing revenue, thereby adding significant economic benefits in any future mine development. It is likely that material above 200 ppm Mo would be economically recoverable.
- It is not yet known whether a marketable product can be made from the oxide and transitional resource. Testwork is continuing.

Although 2009-2010 has been a tough financial period for junior explorers, we have been able to fund this continued activity and progress from three (3) share placements, which raised \$3.04 million, and from a Share Purchase Plan, which raised \$780,000.

To maintain this momentum and to enable the successful drilling programme to continue, the Board considered it appropriate to call an EGM to ask shareholders to approve the capital raising opportunities for the company by ratifying the share placement made on 28 June 2010 and approving the issue of shares to raise a further \$1,000,000.

The reason that the Company arranged the \$1,000,000 share placement, subject to shareholder approval, was that the Company, in the best interests of shareholders, wanted to retain the existing drilling company on site so as to continue the drilling unabated.

If the drilling had been halted, it would have been very costly, in terms of both time and money, to source and contract a new driller and to recommence the programme. The placement is at \$0.07 per share, which compares favourably with a value weighted average share price of \$0.065 cents a share for the five (5) days prior to the investment discussions and also with the prevailing share prices in preceding months. Therefore your Directors unanimously and strongly recommend that shareholders approve this resolution.

The \$1,000,000 will be received within five (5) days of shareholder approval being granted at this Meeting. On receipt of the funds, the Company will issue the shares with the details of the sophisticated investors and an Appendix 3B provided to the ASX.

In addition to the immediate capital raising, the Board requests approval to raise further funds, if necessary, from the placement of a maximum of 45,000,000 shares within three months in accordance with the terms noted in the Explanatory Memorandum.

We are pleased to acknowledge that Beijing-based Sinonew Capital Advisory has acted as advisor and intermediary in recent share placements, which have been so important in enabling us to continue work on the Anthony project.

Based on relevant shareholder approval being granted today, our current plans for the Company's advancement will be in accordance with our recent ASX/shareholder announcements. Over the next few months, we plan a scoping study at Anthony to include the following work:

- deep drilling to test for depth extensions to the high grade zones;
- infill drilling to move resources into the Indicated & Measured Resource categories;
- metallurgical tests on both sulphide & oxide material;
- preliminary mine planning;
- groundwater study;
- environmental study;
- infrastructure study (power, water, etc); and
- financial analysis.

Assuming successful outcomes from this work, we anticipate commencing a definitive feasibility study for a molybdenum mining and processing operation in the early part of 2011.

We will, of course, be continuing with our exploration programme, both close to Anthony and more broadly in our large and prospective tenement holding.



Ken Maiden
Executive Chairman