



ZAMIA METALS LIMITED
INTERIM REPORT DECEMBER 2014

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year are:

Mr Richard Keevers, Non-executive Chairman

Dr Jiniu Deng Non-executive Director

Dr Kenneth John Maiden, Non-executive Director

Mr Chen Qiang, Non-executive Director

Mr Andrew Skinner, Non-executive Director

Company Secretary

John Stone

REVIEW OF OPERATIONS

Exploration programs during the second half of 2014, focussed on the historic Belyando gold deposit which had been excluded from EPM 15145 by a pre-existing Mining Lease covering the abandoned open-cut mining operation. This title was cancelled by the Queensland Department of Natural Resources and Mines resulting in the Belyando mine falling within Zamia's exploration permit.

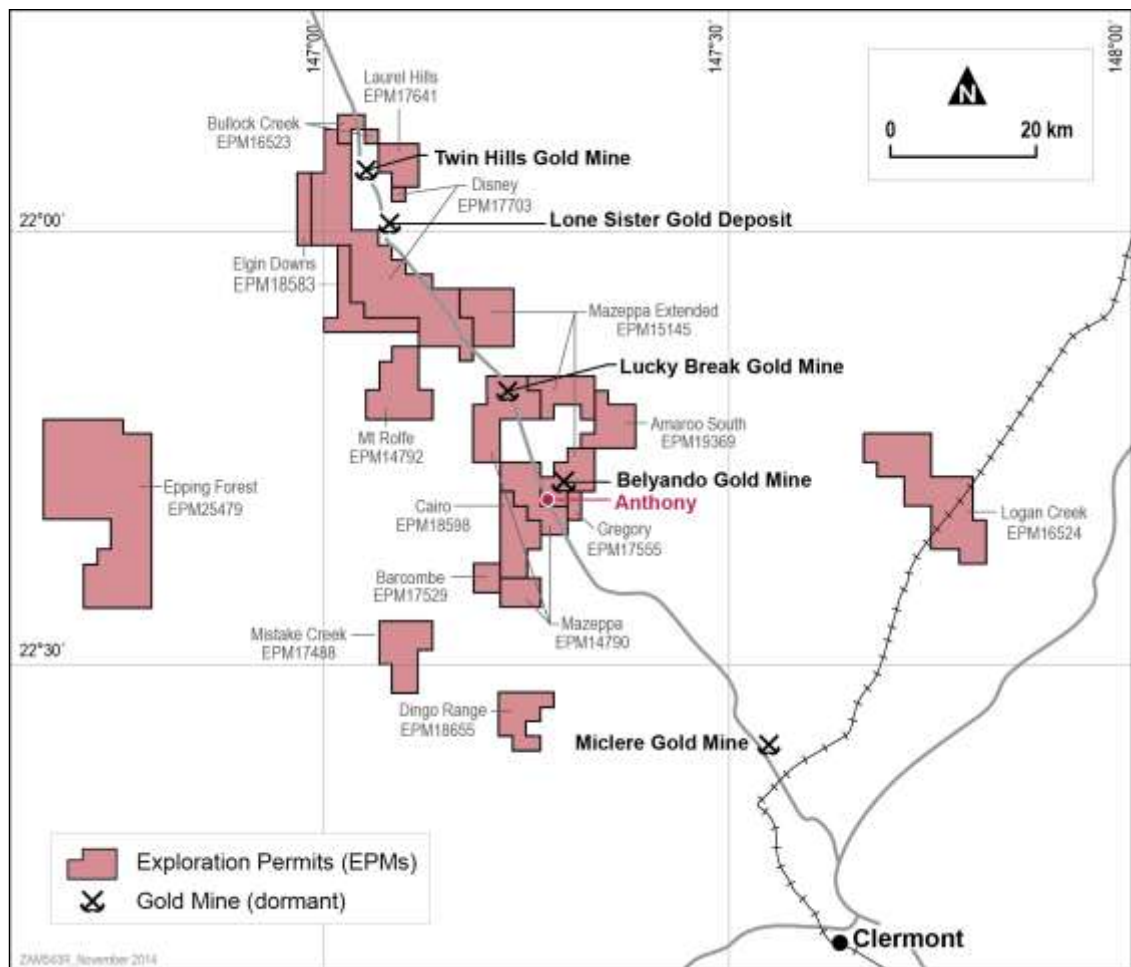


Figure 1. Tenements held by Zamia in the Clermont region (December 2014)

EPM 15145 - BELYANDO GOLD DEPOSIT

The Belyando gold deposit is located about 2.5 km northeast of Zamia's Anthony molybdenum project, within Zamia's EPM 15145 *Mazeppa Extended*. Total production over the mine life has been stated at 85,840 oz gold¹ from combined carbon-in-pulp ('CIP') extraction and heap leach operations.

¹ Mustard R 1998 *Belyando gold deposit in Geology of Australian and Papua New Guinea Mineral Deposits* (EDS D A Berkman and D H Mackensie) pp 707 – 714).

Zamia has commenced an assessment of the potential for remaining mineralisation outside and below the current open pit. The previous drilling data, which was recorded by Menzies Gold N.L. (1986-87) and Ross Mining (1988) has been digitised. To investigate the extent of gold mineralisation below the bottom level of the current mine pit, (about 65m below the surface), i.e. approximately 200m above sea level, Zamia has produced a modified drill plan which removes the drill data above this level (Figure 3). This plan shows that compared to the total volume of drilling, relatively few drill-holes tested the area below the pit.

Six vertical drill sections were compiled in the area of best coverage below the open-cut. One of the six sections, section 10005E, (with the most number of drill-holes), is included within this report (Figure 4). Details of the findings have previously been announced to the Australian Stock Exchange ('ASX') on 19 August, 2014 and are published on Zamia's web-site: www.zamia.com.au.

In summary, the reported drill data indicates that gold mineralisation, at grades of 0.5 –3.0 ppm, continues underneath the Belyando open-cut and broadly follows the steep north north-east dip and north-west plunge defined by previous mining. The drilling information does not constrain the extent of mineralisation at depth or the potential for further near-surface mineralisation.



Figure 2. Satellite image showing the Belyando Gold Mine (Image © 2014 Digital Globe, GeoEye Earthstar Geographics SIO & Microsoft Corporation). Coordinates given are MGA94, Zone 55S

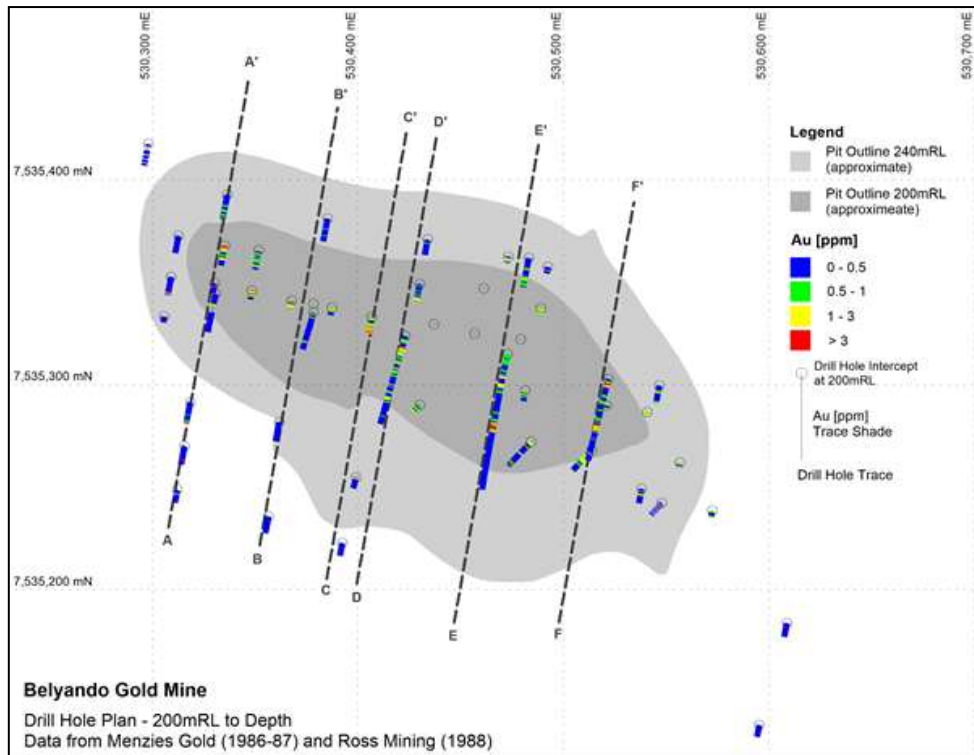


Figure 3. Drill plan showing drilling data below the bottom level of the Belyando pit (i.e. 200 mRL). Stippled lines indicate traces of vertical sections. Coordinates given are MGA94, Zone 55S

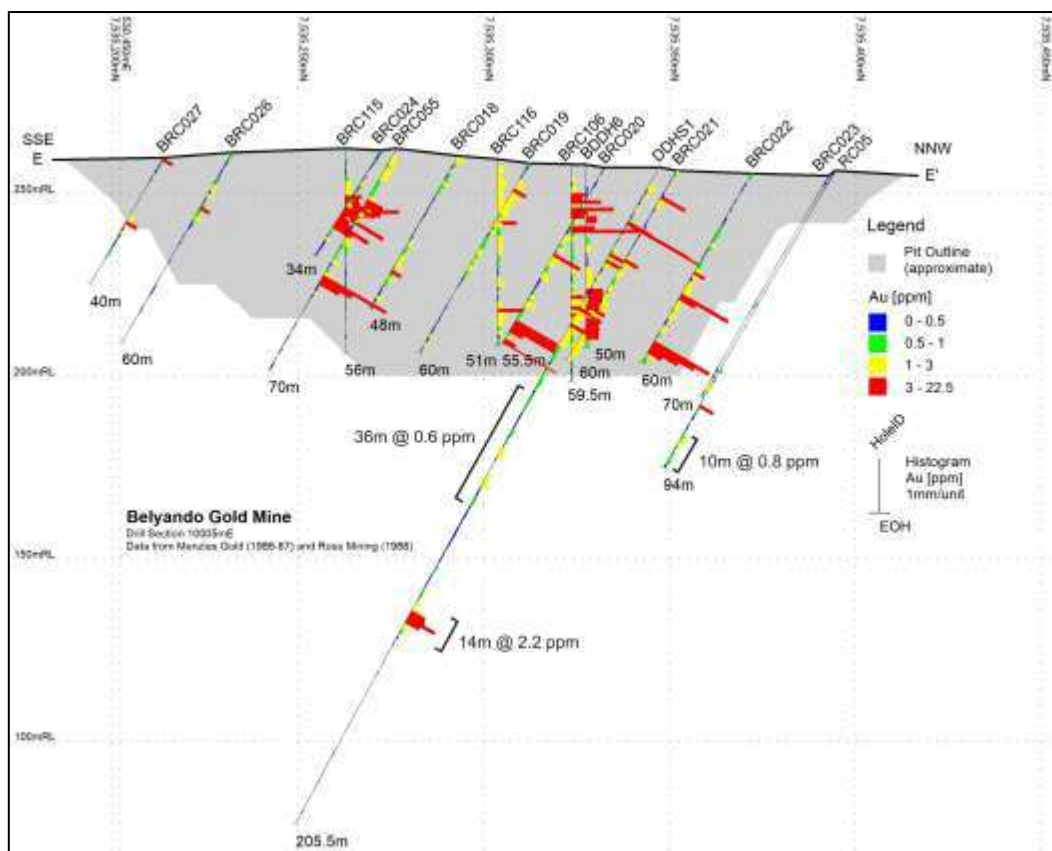


Figure 4. Drill section 10005mE (local grid) showing drill hole traces and reported gold results (histogram) in relation to the open pit. Co-ordinates in MGA94, Zone 55S

To test these findings, Zamia designed a drilling program of up to 10 Reverse Circulation ('RC') holes. For the first stage of drilling, Zamia elected not to drill "step-out" holes from previous high grade gold intersections but to adopt an exploratory approach. The initial holes were selected to test the depth extent of gold mineralisation beneath the current pit and peripheral to the known deposit.



Figure 5. Mitchell Services RC Schramm 450 drill rig at Belyando, November 2014

Of the four RC percussion holes, two were sited to the north of the current pit, testing for mineralisation down-dip of the mined deposit and two holes were located to the south of the pit to test for lateral extensions (see Figure 6).

Drilling was carried out in November 2014. All four drill holes (totalling 822m) were terminated short of the target depth of 300m: three holes (BY004, 5, 7) terminated early due to ground water pressure and one hole (BY006) terminated due to loss of outside return, caused by swelling clays. Problems with ground water pressure were associated with quartz reefs intersected near to and below the Belyando pit and are suspected to be due to water channelling in open fractures within the quartz reef. It is envisaged that follow-up diamond drilling would overcome the water pressure issue and permit deeper sampling.

Key details of the drilling program are summarised in Table 1.

Hole ID	Planned ID	Easting [m]	Northing [m]	Azimuth [°]	Dip [°]	Length [m]
RC14BY004	PRC09	530417	7535480	190	-60	233
RC14BY005	PRC08	530460	7535427	190	-60	197
RC14BY006	PRC12	530131	7535050	045	-60	232
RC14BY007	PRC11B	530842	7535116	270	-60	160
Total						822

Table 1. Details of Zamia's Belyando drilling program, completed 18 - 29 November, 2014.



Figure 6. Location of RC holes on aerial photo image of the Belyando open-cut



Figure 7. Photo of drilling and sampling operations at Belyando

One-metre bulk samples were split twice using three-tier splitters and aggregated into two metre composites. Samples were sent to be assayed for gold (fire assay with AAS finish)

and selected pathfinder elements (four-acid-dissolution with ICP-MS finish). The assay results from the last 2 holes (on the southern side) were returned in early January in the form of raw data. An ASX announcement of the drilling results will be made following the compilation of data at the end of January.

The second stage of the drilling program is expected to commence in March 2015.

EPM 17703 DISNEY

A regional soil geochemical survey over the southern part of EPM 17703 was carried out in the second half of 2013, acquiring 1,141 soil samples for assay. The soil geochemical anomaly referred to as 'Pelican Creek' (Figure 8) was identified in the southern end of the grid. Results show a close correlation of some anomalous elements, such as silver, with the drainage system, suggesting that the anomaly may result from transport of erosion products down-stream during flood events.

To identify the potential up-stream source of the anomalous metal concentrations, acquisition of 53 soil/stream sediment samples draining from Mistake Creek, Mount Rolfe and Willesley Station dam were acquired in October 2014. Results of the sampling to the south of 'Pelican Creek' showed a varied and inconclusive response. An example of the analysis for thallium (TI) is shown in Figure 9.

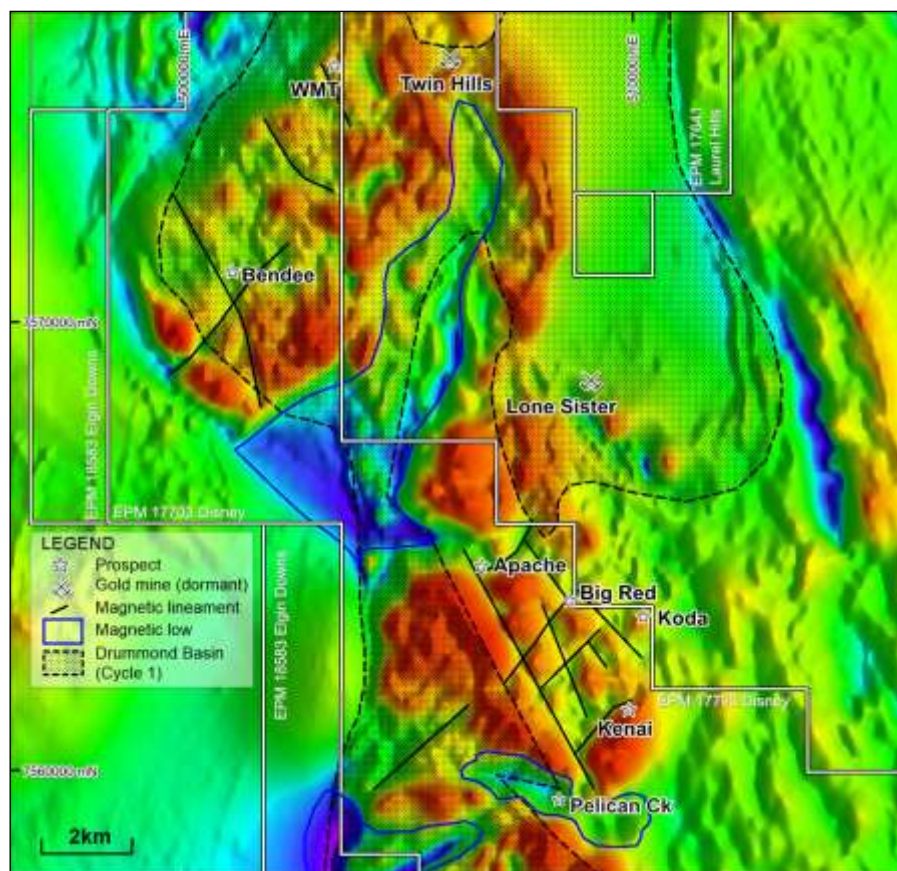


Figure 8. EPM 17703 Disney showing southern targets on aeromagnetic imagery

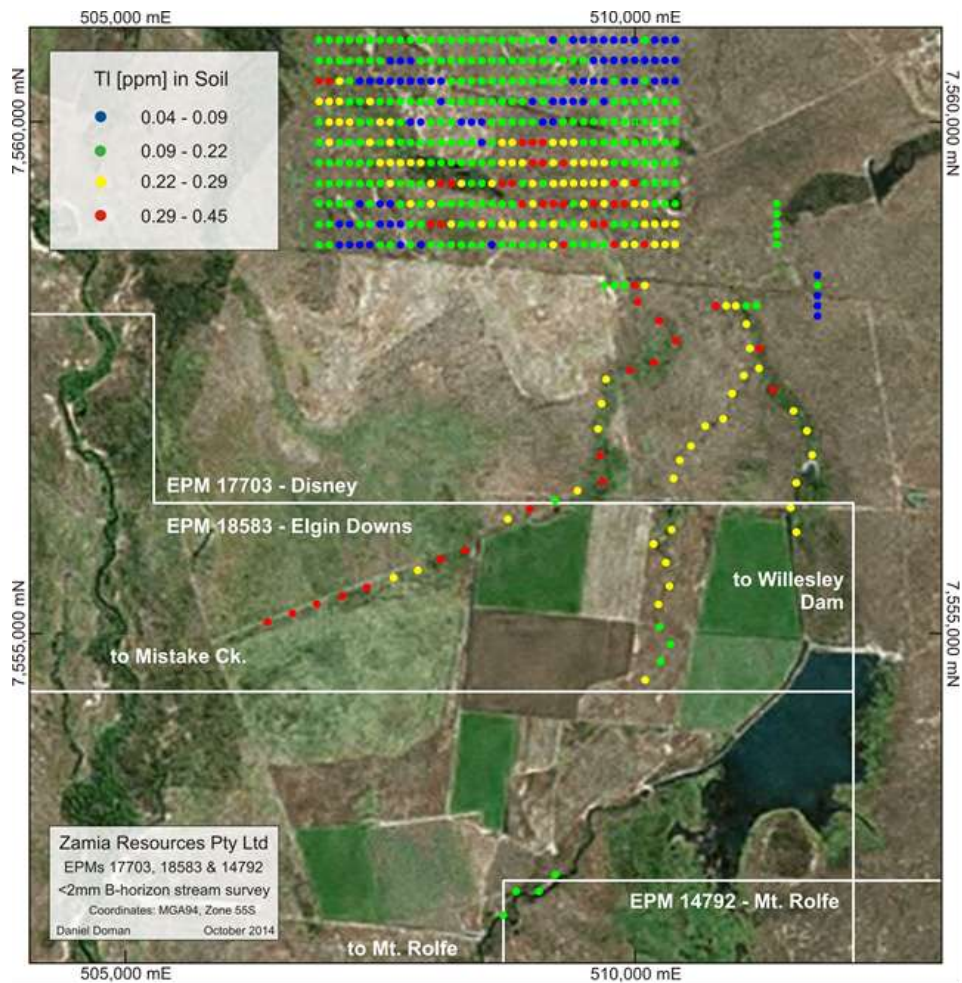


Figure 9. Assay results for thallium in drainage systems at southern Disney

Additionally, Zamia submitted a suite of 87 sample pulps from the original South Disney soil grid to be re-assayed for gold (Au) via AAS fire assay to determine which of the established and new geochemical targets show elevated gold values. Gold results have been returned, with some significant results showing at the Big Red prospect area. Compilation and evaluation of the data will be made before follow-up work is planned.

EPM 18655 DINGO RANGE AND EPM 25479 EPPING FOREST

EPM 18655 *Dingo Range* and EPM 25479 *Epping Forest* were granted in May and October 2014 respectively. During the quarter, initial assessment was carried out over the EPMs. Past exploration reports from previous company work were downloaded from the government data-base.

EPM 18655 covers the contact between the Silver Hills Volcanics (basal unit of Drummond Basin sequence) and the underlying Anakie Metamorphics to the east. The review of data has outlined attractive exploration targets for follow-up work in 2015 (Figure 10).

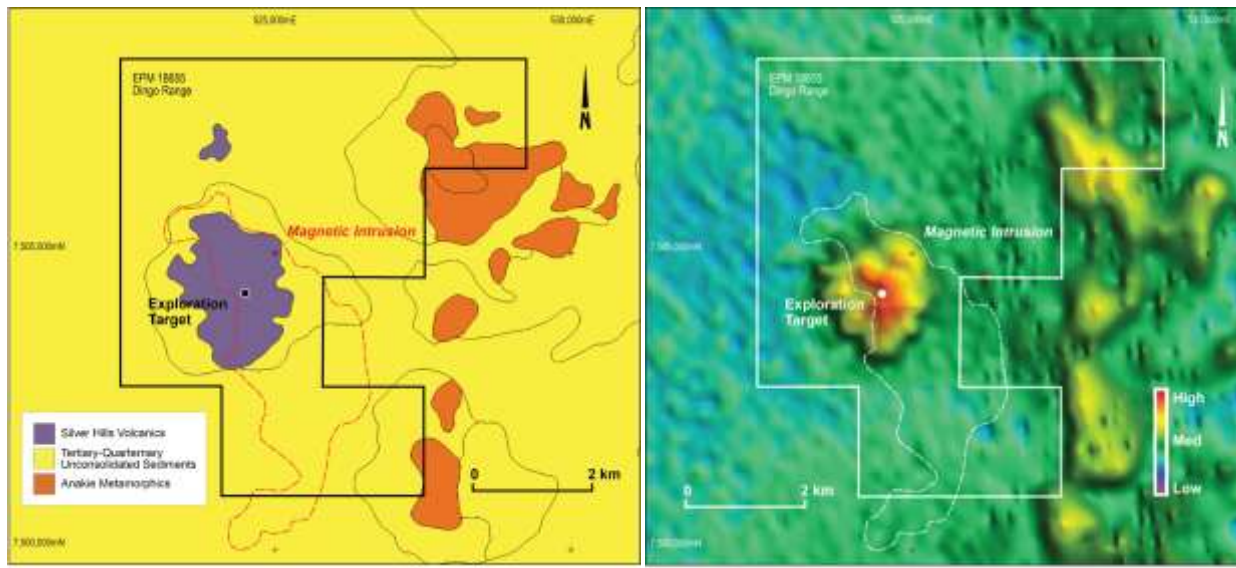


Figure 10. EPM 18655 Dingo Range showing exploration target area over interpreted geology (left) and radiometric imagery (right)

EPM 18715 WARROO

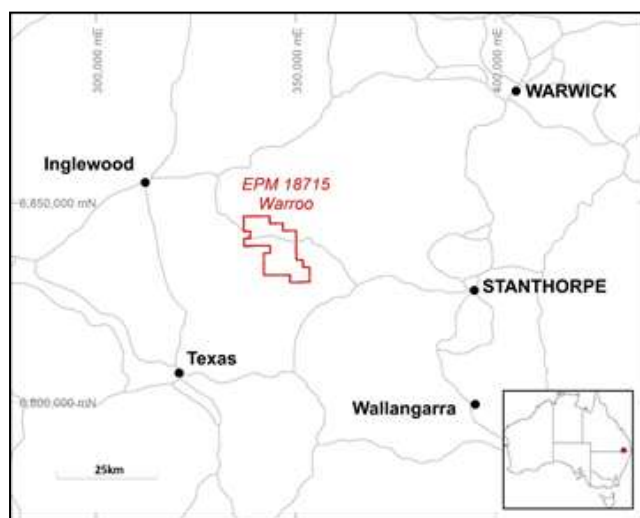


Figure 11. EPM 18715 Warroo location map

EPM 18715 Warroo, located approximately 50 km west of Stanthorpe, in south-east Queensland (see figure 4 opposite) was granted to Zamia on 17 October 2013.

In March 2014, the historical exploration data was compiled and documented. Assessment of the data combined with a field visit to the area was made in September 2014.

The Ti-Tree ridge gold prospect (Figure 12) was identified as a prospective target requiring further work. A 10m wide zone of brecciation and veining is exposed in costeans. Anomalous assay results, including 10 rock chip samples of >1 g/t Au, (with a peak assay of 10.9 g/t Au) have been recorded from sub-crop or float of silica and haematite altered brecciated siltstones with quartz veining and box work textures (see Figure 13).

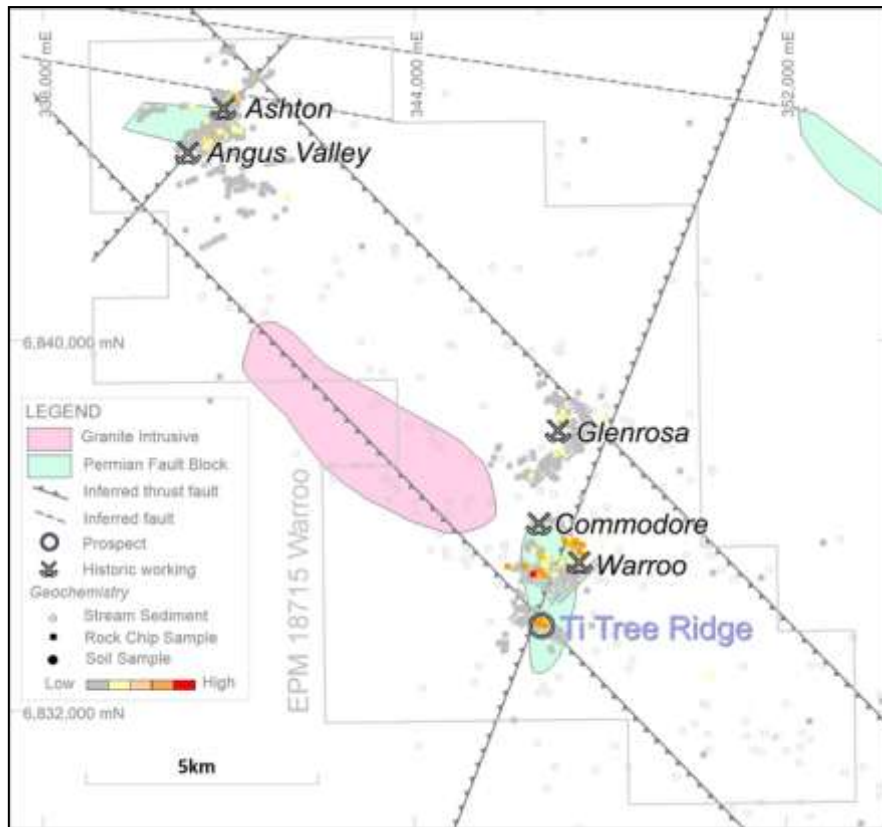


Figure 12. EPM 18715 showing prospect locations and previous geochemical sampling

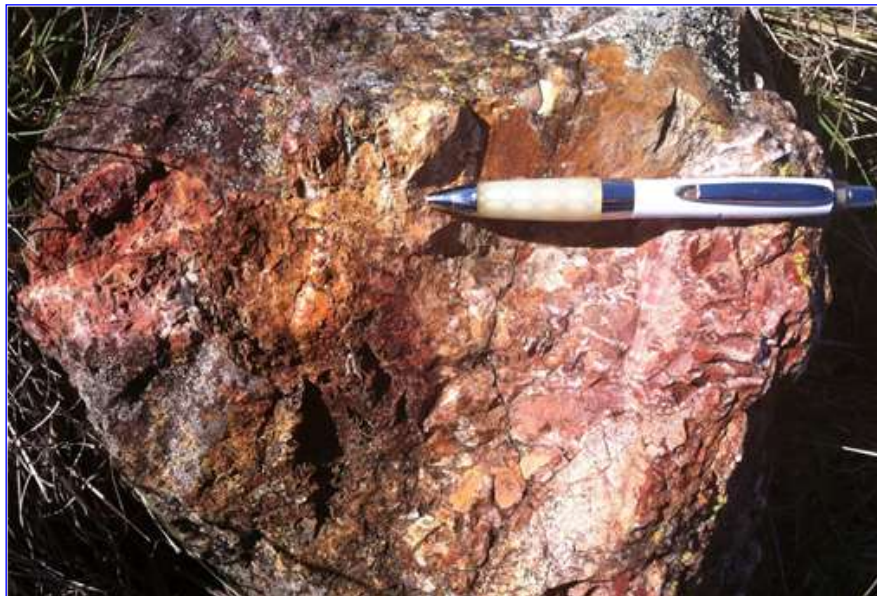


Figure 13. Hydrothermally altered silicified quartz-veined siltstone float from the Ti-Tree Ridge gold prospect

An initial RC drilling program at the Ti-tree ridge gold prospect has been recommended to determine the extent of mineralisation at depth and to advance the geological understanding of the area.

ANTHONY ENVIRONMENTAL REHABILITATION

During September 2014, the Anthony project area (EPM 15145) was the focus for rehabilitation work (in accordance with the Code of Environmental Compliance) over the total area disturbed by Zamia's drilling operations.

The landholder was involved in the restoration process to ensure that all parties were satisfied with the final outcome. Auditing and re-organisation of all drill-core and core storage was also carried out.



Figure 14. EPM 15145 - Rehabilitation of drill-site



Figure 15. Anthony project area – re-organisation of ore core storage

ZAMIA RESOURCES PTY LTD (Controlled Entity of Zamia Metals Limited)

Tenement No	Project Name	Grant Date	Expiry Date	Status @ 31.12.14	Area km² @ 31.12.14
EPM 14790	Mazeppa	12.01.2006	11.01.2016	Year 9	115
EPM 14792	Mt. Rolfe	13.03.2006	12.03.2015	Year 9	56
EPM 15145	Mazeppa Extended	11.08.2006	10.08.2017	Year 9	112
EPM 17488	Mistake Creek	05.11.2009	04.11.2017	Year 6	47
EPM 17529	Barcombe	24.02.2010	23.02.2015	Year 5	12
EPM 17555	Gregory	20.11.2008	19.11.2015	Year 6	6
EPM 16523	Bullock Creek	03.09.2010	02.09.2015	Year 4	12
EPM 16524	Logan Creek	23.12.2010	22.12.2015	Year 4	50
EPM 17641	Laurel Hills	30.01.2012	29.01.2017	Year 3	25
EPM 17703	Disney	30.01.2012	29.01.2017	Year 3	186
EPM 18583	Elgin Downs	30.01.2012	29.01.2017	Year 3	56
EPM 18598	Cairo	30.01.2012	29.01.2017	Year 3	40
EPM 19369	Amaroo South	30.01.2012	29.01.2017	Year 3	34
EPM 18715	Waroo	17.10.2013	16.10.2018	Year 1	155
EPM 18655	Dingo Range	29.05.2013	28.05.2019	Year 1	34
EPM 25479	Epping Forest	24.10.2014	23.10.2019	Year 1	245
TOTAL AREA KM2					1,185

FINANCIAL STATEMENTS

Capital Raising

No capital raising was undertaken in the half year reporting period.

However on 18 November 2014, shareholders at the 2014 AGM gave approval for the Company to allot and issue up to a maximum of 160 million shares at any time during the period of three month after the date of the AGM at an issue price which is at least 90% of the average market price of the Company's shares over the last five trading days prior to the day on which the issue is made.

Loans

On 22 September 2014, two Directors who are major shareholders, extended short terms loans totalling \$600,000 to provide working capital with interest payable at 8% p.a. The loan which matures on 31 March 2015 is repayable together with interest accrued as cash or at the election of the Company and subject to the approval of Zamia shareholders by the issue of Zamia shares at an issue price equal to the 30 day VWAP in the period ending one day prior to the date of a General Meeting to be held prior to loan maturity to consider the approval of the loan conversion.

Share options

No options were issued and no unexercised options expired during the half year reporting period.

At balance date there were 4,323,744 unexpired options at an exercise of \$0.03 and an expiry date of 21 January 2015.

After Balance Date Events

On 21 January 4,323,744 unexercised options at \$0.03 expired.

There are no other matters or circumstances that have arisen since the end of the half-year period which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2014 is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors



Richard Keevers
Non-executive Chairman
Dated this 12 February 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

		Half-year ended	
	Note	31 Dec 14	31 Dec 13
		\$	\$
Other income	4	72,822	164,248
Occupancy expenses		(67,052)	(67,558)
Consultancy fees		(83,141)	(43,911)
Directors' remuneration		(52,000)	(42,500)
Depreciation and amortisation expense		(6,725)	(9,814)
Compliance costs		(36,575)	(40,180)
Exploration and evaluation expenditure		(386,152)	(457,488)
Employee benefits expense		(106,738)	(178,386)
Finance expense		(10,800)	-
Other expenses		(90,157)	(116,902)
(Loss) before income tax		(766,518)	(792,491)
Income tax expense		-	-
(Loss) for the half year		(766,518)	(792,491)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss for the half year		(766,518)	(792,491)
Earnings per share			
Basic and diluted earnings per share (cents)		(0.11)	(0.17)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	31 Dec 14	30 June 14
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		664,358	781,748
Trade and other receivables		22,838	15,054
Other current assets		7,840	35,969
TOTAL CURRENT ASSETS		695,036	832,771
NON-CURRENT ASSETS			
Plant and equipment		19,741	25,378
Other non-current assets		50,000	50,000
TOTAL NON-CURRENT ASSETS		69,741	75,378
TOTAL ASSETS		764,777	908,149
CURRENT LIABILITIES			
Trade and other payables		141,146	116,361
Borrowings		600,000	-
Short term provisions		66,234	55,309
TOTAL CURRENT LIABILITIES		807,380	171,670
NON-CURRENT LIABILITIES			
Long term provisions		-	12,564
TOTAL NON-CURRENT LIABILITIES		-	12,564
TOTAL LIABILITIES		807,380	184,234
NET ASSETS		(42,603)	723,915
EQUITY			
Contributed equity	6	22,243,017	22,243,017
Reserves		225,460	225,460
Retained losses		(22,511,080)	(21,744,562)
TOTAL EQUITY		(42,603)	723,915

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital Ordinary	General Reserve	Option Reserve	Retained losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	21,032,301	195,703	271,705	(20,500,952)	998,757
Total comprehensive loss for the half year	-	-	-	(792,491)	(792,491)
Contributions of equity net of transaction costs	108,500	-	-	-	108,500
Transfer of expired options to retained earnings	-	-	(15,998)	15,998	-
Balance at 31 Dec 2013	21,140,801	195,703	255,707	(21,277,445)	314,766
Balance at 1 July 2014	22,243,717	195,703	29,757	(21,744,562)	723,915
Total comprehensive loss for the half year	-	-	-	(766,518)	(766,518)
Balance at 31 Dec 2014	22,243,717	195,703	29,757	(22,511,080)	(42,603)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year ended	
	31 Dec 2014	31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from debtors	87,091	154,516
Payments to suppliers and employees	(809,469)	(978,768)
Interest received	6,075	8,990
Net cash (used in) operating activities	(716,303)	(815,262)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(1,087)	(2,795)
Net cash (used in) investing activities	(1,087)	(2,795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares net of issue costs	-	108,500
Proceeds from borrowings	600,000	-
Net cash provided by financing activities	600,000	108,500
Net (decrease) in cash held	(117,390)	(709,557)
Cash and cash equivalents at the beginning of the half-year	781,748	1,067,070
Cash and cash equivalents at the end of the half-year	664,358	357,513

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Zamia Metals Limited and its controlled entity (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 12 February 2015.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(c) below.

c. New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

Certain new accounting standards and interpretations have been published that are mandatory for 30 June 2015 reporting periods. The group's assessment of the impact of these new standards which have been adopted is discussed below:

(i) AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

(ii) Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

(iii) AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Group's financial statements.

(iv) AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Group does not hedge and the standard is not expected to significantly impact the Group's financial statements.

(v) AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

d. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the June 2014 annual report.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: GOING CONCERN BASIS

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

The net loss after income tax for the consolidated entity for the half year ended 31 December 2014 was \$766,518 (2013: 792,491).

At the 31 December 2014 the Group had negative net assets of \$42,603 (2013: positive net assets of \$723,915).

The Directors have resolved in accordance with AASB 6 to expense all exploration costs rather than capitalise them with \$386,152 expenses in the current reporting period (2013:\$457,488).

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

- (i) in the half year the Company raised funds from loans from substantial shareholders of \$600,000 repayable by 31 March 2015 in cash or equity at the option of the Company. The lenders have since agreed to extend the terms of the loan by up to six months;
- (ii) the Group had \$664,358 cash on hand at 31 December 2014;
- (iii) The Group has budgeted expenditure of \$2.64 million for the period from 1 February 2015 to 31 March 2016, with projected net capital raising over this period to contribute \$2.5 million to meet this budgeted expenditure;
- (iv) Budgeted expenditure will allow the Company to meet all tenement commitments.

The funds raised would enable the Company to continue with low cost exploration activities for gold and copper. However the ability of the Group to meet operating expenditure is also dependent upon future fundraising or the Company's business activities generating positive cash flows. The Company is projected to require further capital raising in the future to advance its exploration for gold and copper and its Anthony molybdenum project through various assessments.

In the event that the consolidated entity is unable to raise sufficient funds there is a significant uncertainty whether it will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities at the amounts stated in the financial report. The ability of the Group to raise funds will depend on the Company's exploration results and equity market conditions for capital raising. As the Company expenses all exploration costs as incurred, no value is recognised in the financial statements at present

NOTE 3: EXPLORATION AND DEVELOPMENT

At the 31 December 2014 the Company held 16 Exploration Permits for Minerals (EPMs) including one new EPM granted in October 2014. Any shortfall in annual expenditure is planned to be made up in the following period with a view to avoiding any penalties that the government may impose. At this stage no penalties for under-expenditure have been or are expected to be incurred.

During the reporting period, no tenements were relinquished and three tenements were partially reduced in area as required under the conditions of grant.

NOTE 4: INCOME

	Consolidated Group	
	31 Dec 2014 \$	31 Dec 2013 \$
Other revenue		
Administration service fees	66,747	58,306
Service fees from joint venture partner	-	96,952
Interest received – other entities	6,075	8,990
	72,822	164,248

NOTE 5: LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Exploration expenses not capitalised	386,152	457,488
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: INTEREST IN SUBSIDIARIES

a. Information about Principal Subsidiaries

Set out below are the Group's subsidiaries at 31 December 2014. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		At 31 Dec 2014	At 30 June 2014	At 31 Dec 2014	At 30 June 2014
Zamia Resources Pty Ltd	Sydney, Australia	100%	100%	0%	0%

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTE 7: CONTRIBUTED EQUITY

	31 Dec 2014 Shares	30 June 2014 Shares	31 Dec 2014 \$	30 June 2014 \$
Balance at beginning of period	678,114,573	458,192,118	22,243,017	21,032,301
Issues of ordinary shares during the half-year/year	-	219,922,455	-	1,210,716
	678,114,573	678,114,573	22,243,017	22,243,017

NOTE 8: DIVIDENDS

No dividends have been declared or paid during the period.

NOTE 9: SEGMENT REPORTING

The Group operates primarily in one geographical and in one business segment, namely mineral exploration in Queensland and reports to the Board on this basis.

NOTE 10: CONTINGENT LIABILITIES

There are no contingent liabilities at balance sheet date.

NOTE 11: RELATED PARTY TRANSACTIONS

All related party transactions are consistent with those reported in the 2014 Annual Report.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 4,323,744 unexercised options at \$0.03 expired.

There are no other matters or circumstances that have arisen since the end of the half-year period which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

NOTE 13: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The group has not gained control or lost control over any entity during the period.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Zamia Metals Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 22 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Richard Keevers
Non-executive Chairman
12 February 2014

**ZAMIA METALS LIMITED
ABN 73 120 348 683
AND CONTROLLED ENTITY**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF ZAMIA METALS LIMITED**

SYDNEY


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2 Park Street
Sydney NSW 2000
Australia

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Sydney NSW 2001

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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review



Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW 2000



Graham Webb
Partner
Date: 12 February 2015

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**ZAMIA METALS LIMITED
ABN 73 120 348 683****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF ZAMIA METALS LIMITED****SYDNEY**

Level 40
2 Park Street
Sydney NSW 2000
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Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Zamia Metals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Zamia Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Zamia Metals Limited's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Zamia Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zamia Metals Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Zamia Metals Limited's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the financial report, which indicates that the company incurred a net loss of \$766,518 during the half-year ended 31 December 2014 and, as of that date; the company's current liabilities exceeded its total assets by \$42,603. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half-year financial report.



Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW 2000



Graham Webb
Partner
Date: 12 February 2015