



QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 31 December 2009

Highlights

- At the Anthony molybdenum deposit, Zamia commenced a drilling programme aimed at defining an initial resource in the high grade zone.
- Assay results are not expected until February but visible mineralisation provides encouragement.
- The northern end of the target zone appears to have good molybdenum concentrations, suggesting that the high grade zone is open-ended to the north.
- In January 2010, the RC drilling rig moved to the Matilda gold prospect (20 km north of Anthony) to commence a drilling programme.



RC drilling at Anthony, November 2009

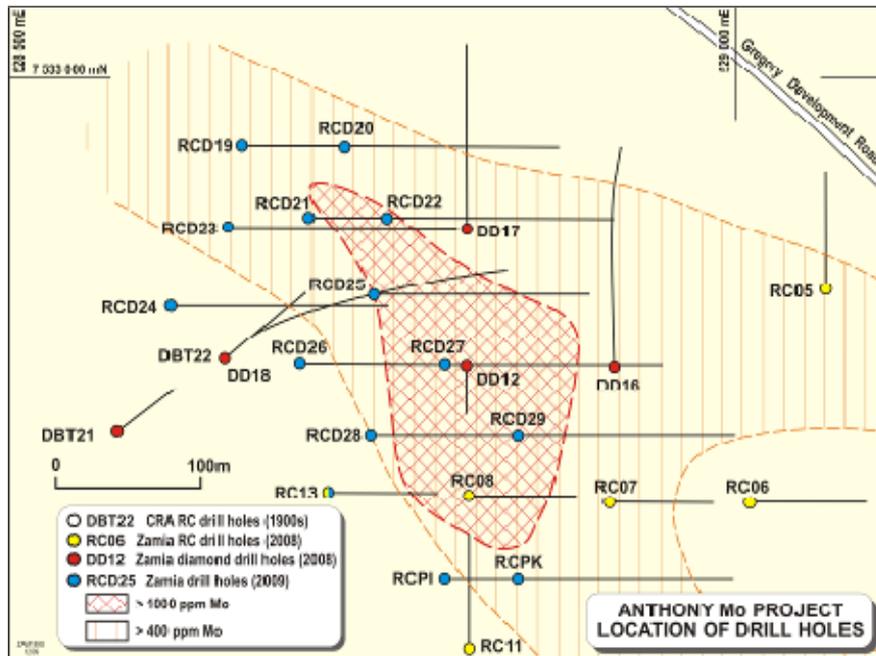
Exploration Activities – Anthony Molybdenum Project

In early November, Zamia commenced a drilling programme at the Anthony deposit. Drilling is designed to test the continuity of mineralisation and define an initial resource in the high grade zone (drill intersections above 800 ppm Mo) outlined in the 2008 drilling programme.

Holes are being drilled to around 200m depth by reverse circulation (RC) followed by a further 100m of diamond coring. The holes are angled at 60 degrees to the east.

Molybdenum mineralisation occurs in quartz stockwork veins concentrated in porphyritic intrusive bodies as well as in the surrounding metamorphic rocks. Holes at the northern end of the target zone appear to have good molybdenum concentrations, suggesting that the high grade zone may extend further north than shown on the map.

At the commencement of the drilling programme, resource consultants Hellman & Schofield Pty Ltd carried out a quality control / quality assurance (QA/QC) audit of drilling and sampling procedures.

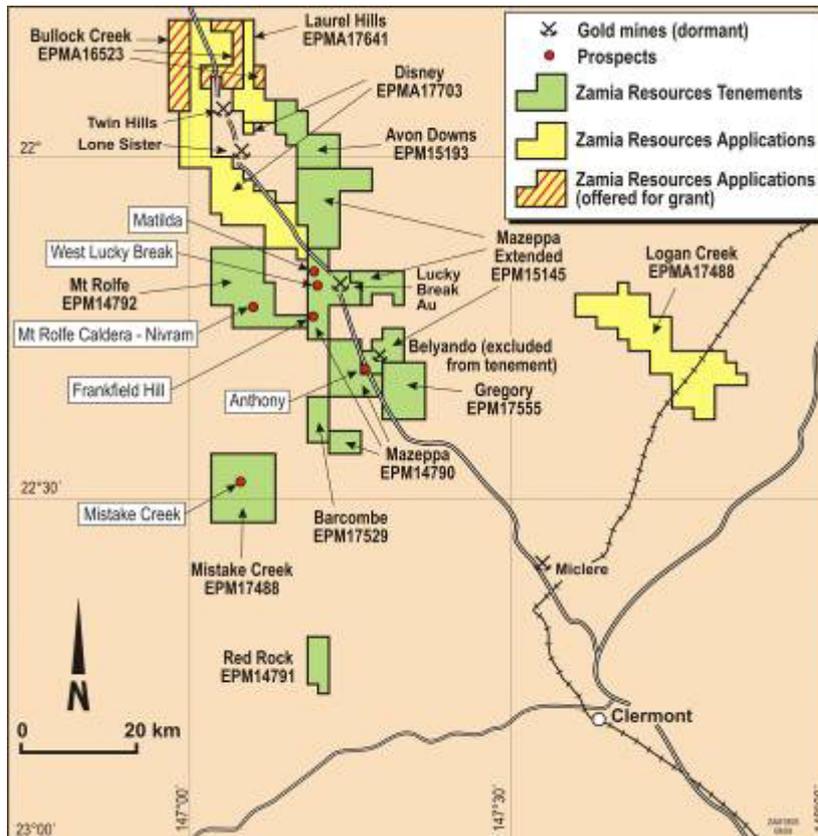
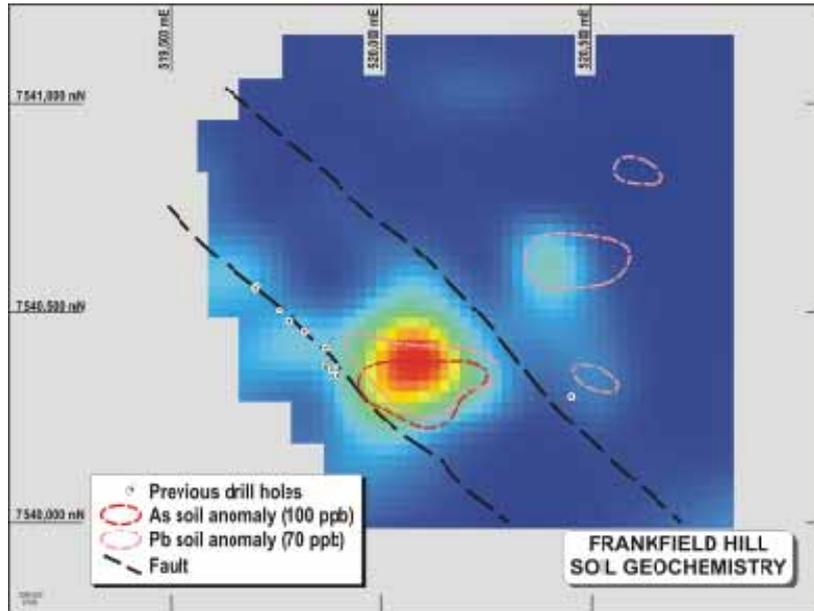
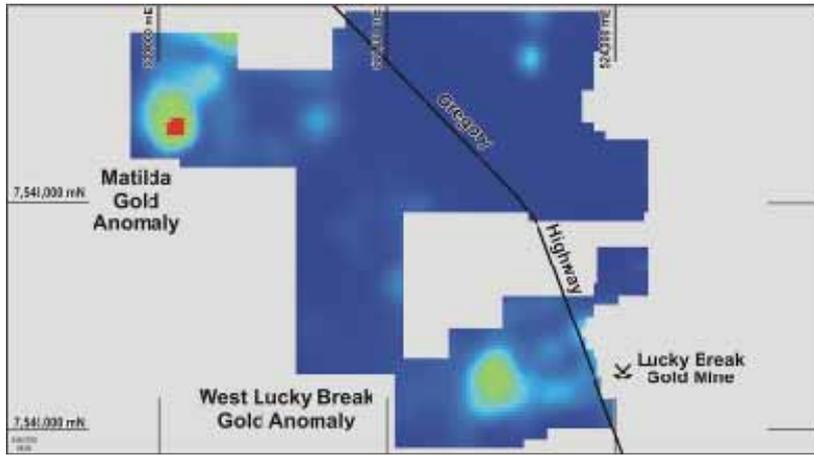


It is anticipated that all assay results will be received by end-February.

Zamia will shortly commence a scoping study on the Anthony project. In addition to initial metallurgical testwork, this will include preliminary infrastructure, environmental and financial studies.

Exploration Activities – Mazepa Gold Targets

In January 2010, the Company initiated a drilling programme on the Matilda and Frankfield Hill gold targets on EPM 14790 (Mazepa). Each target is being tested by a series of shallow RC holes designed to test pronounced soil geochemical anomalies.



Further Details

For additional information on the Zamia's exploration projects, please visit the Company's website www.zamiagold.com.au.

Corporate Activities

On 2 November, Dr Ken Maiden, a non-executive director of the Company, was appointed as Managing Director.

During November, the Company raised \$780,000 via a Shareholder Purchase Plan ("SPP"). This followed a \$300,000 share placement in September. These funds are being directed mainly to a drilling programme and scoping study (including metallurgical testwork) at the Anthony molybdenum deposit and drilling on gold targets.

The Company's Annual General Meeting ('AGM') was held in Sydney on 26 November. The AGM ratified the issue of 11,375,000 shares on 1 October 2009 and gave approval for the Company to allot and issue up to a maximum of 26,000,000 ordinary shares in the Company at any time during the period of three months after the date of the AGM.

The AGM re-elected Mr Chen Qiang as a director of the Company. The Company's Chairman, Mr Stephen Blackman, announced that he would not be standing for re-election to the Board. Stephen was a founding director of the Company and has been closely involved with its development. The Board wishes to record its gratitude to Stephen for his years of service to the Company.

In early January, Mr Alan Humphris was appointed as a non-executive director. Alan is an investment banker with more than 30 years experience in Australian and international markets. He is Managing Director of Balmoral Capital Pty Ltd, an investment banking firm specialising in providing corporate advisory services, which he founded in 1997 following a career in merchant banking with JP Morgan and Hambros Australia. He is a Director of a number of public listed and private companies and his corporate expertise will assist the company with the development of its exploration activities and projects.



Kenneth J Maiden
Managing Director

Dr Ken Maiden (MAIG, FAusIMM), Managing Director of Zamia Gold Mines Limited, compiled the technical aspects of this report. Ken is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activities that are being reported on to qualify as a Competent Person as defined in the September 2004 edition of the "Australasian Code of Reporting of Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear.



Anthony prospect - sawn drill core showing quartz-Mo veins in altered granite. Molybdenite [MoS₂] is the silvery-grey mineral. Hole RCD09-19, depth 207.3m



Anthony prospect - sawn drill core showing quartz-Mo veins in altered schist. Hole RCD09-19, depth 291.1m



Anthony prospect - sawn drill core showing quartz-Mo vein cutting stockwork veins in altered granite. Hole RCD09-19, depth 226.2m