ASX:ZGM

9 May 2011

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

SIGNIFICANT MOLYBDENUM IN ANTHONY NORTHERN ZONE

HIGHLIGHTS

- **New RC drilling enhances Anthony Northern Zone**
- **Assays pending on deeper diamond drilling in south and east**
- **Drilling continues to expand the deposit**
- **Significant resource upgrade anticipated**
- **Major scoping studies deferred until extent of deposit is better defined**

Background

Zamia Metals has been 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 (Mo) mineralisation to 173 million tonnes (Mt) at 430 parts per million (ppm) Mo, including 20 Mt at 810 ppm Mo. The total Inferred Resource including oxide, transition (partially oxidised) and sulphide mineralisation was reported as 233 Mt at 420 ppm Mo including 26 Mt at 780 ppm Mo.

Since the February resource upgrade, Zamia has drilled:

- a further 18 RC holes to depths of up to 250 metres (m) to test the lateral extent of the deposit; and
- an extra six diamond tails to between 400 and 500m to test the depth of the deposit.

The assay results for these holes will be included in the next resource assessment, likely in June 2011. Locations of all holes drilled to date are shown in Figure 1.

More Molybdenum in Anthony Northern Zone

Zamia's drilling was initially focussed largely on the high grade Western Zone and, more recently, on the Eastern Zone. Only a limited number of holes had been drilled into the Northern Zone, mostly to shallow depth (< 250m).

The Company has now completed an additional three RC holes (RC90, RC91 and RC92) in the Anthony Northern Zone. The holes were all drilled to 246m and all resulted in substantial

intersections containing elevated molybdenum levels. The assays (detailed in Table 1) are summarised as follows:

- RC90, in the northwest of the deposit, assayed 665 ppm Mo in the sulphide zone from 87m to 246m depth, including **1000 ppm Mo** from 189m to 195m, **1045 ppm Mo** from 222m to 231m and three other separate 3m intersections assaying **over 1000 ppm Mo.** In the partially oxidised zone, this hole assayed 794 ppm Mo from 51m to 87m including **1021 ppm** Mo from 63m to 84m.
- RC91, on the northern edge of the deposit and drilled to the east, averaged 350 ppm Mo over the full length of the hole down to 246m. A 12m interval towards the bottom of the hole assayed 636 ppm Mo.
- RC92, in the northwest of the deposit, assayed 435 ppm Mo for the first 78m from surface, including 607 ppm Mo from 9m to 18m.

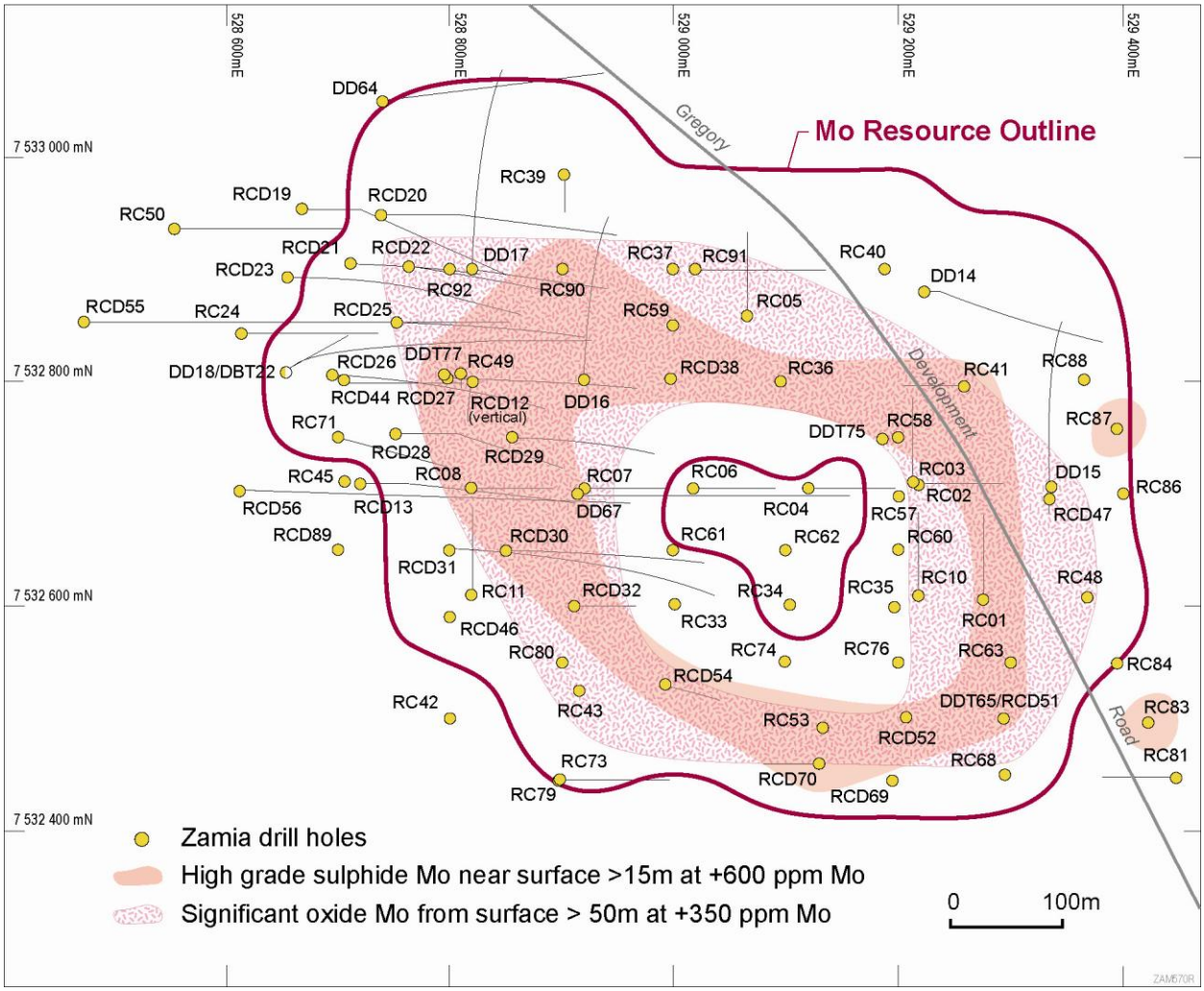

***Figure 1**: Drill hole locations and February 2011 resource boundary, together with outlines of significant surface oxide zones and shallow high grade sulphide zones underneath.*

***Note**: Holes RC81, RC83, RC84, RC86 and RC87 on the eastern side of the deposit were assayed subsequent to the announcement of the February resource increase. As reported in the Quarterly Activities Report on 28 April, they all had significant intervals above 200 ppm Mo. Their location on, or outside, the resource boundary indicates that the resource might not be closed off on the eastern side.*

Table 1: Assays for recent holes in the Anthony Northern Zone

Hole	Location	Dip (degrees)	Zone	From (m)	To (m)	Length (m)	Mo (ppm)
RC90	Located in north west of Anthony deposit	90 (vertical)	Oxide	0	51	51	545
			Partial	51	87	36	794
			incl	63	84	**21**	**1021**
			Sulphide	87	246 EOH	159	665
			incl	108	111	**3**	**1045**
			incl	132	135	**3**	**1070**
			incl	147	150	**3**	**1260**
			incl	189	195	**6**	**1000**
			incl	222	231	**9**	**1045**
RC91	North	65 dip and drilled east	Oxide	0	63	63	350
			Partial	63	90	27	324
			Sulphide	90	246 EOH	156	359
			incl	222	234	12	636
RC92	North west	90 (vertical)	Oxide	0	78	78	435
			incl	9	18	9	607
			Partial	78	141	63	253
			Sulphide	141	246 EOH	105	262

Note: EOH = End of hole

As indicated in Table 2, ten holes previously reported for the northern zone had significant intersections assaying above 600 ppm Mo.

A number of these holes also intersected high grade zones, including:

- RCD21: 44m at **1036 ppm Mo** (228m - 272m)
- RCD24: 24m at **1009 ppm Mo** (174m - 198m)
- RCD23: 16m at **1045 ppm Mo** (271m - 287m)
- RCD38: 12m at **1099 ppm Mo** (123m to 135m).

These results clearly indicate the potential for significant resource expansion in the Anthony Northern Zone.

To test the extent of the Northern Zone laterally, further RC drilling is planned. Also, as most of the holes in the Northern Zone have only been drilled to less than 250m vertical depth, it is planned to drill a number of diamond tails to test the depth extent of this zone.

Table 2: Previously reported holes in the Northern Zone – moving from west to east

Hole	Location	Dip (degrees)	Zone	From (m)	To (m)	Length (m)	Mo (ppm)
RCD21	North west	45 dip average, drilled east	Oxide	0	45	45	105
			Partial	45	60	15	166
			Sulphide	60	307 EOH	247	407
			incl	228	272	**44**	**1036**
RCD22	North West	52 dip average and drilled east	Oxide	0	96	96	386
			Partial	96	105	9	329
			Sulphide	105	307 EOH	202	511
			incl	174	198	**24**	**1009**
			incl	254	258	**4**	**1121**
RCD23	North West	45 dip average and drilled east	Oxide	0	63	63	85
			Partial	63	72	9	82
			Sulphide	72	300 EOH	228	349
			incl	249	255	**6**	**1021**
			incl	271	287	**16**	**1045**
RCD 25	North West	55 dip average and drilled east	Oxide	0	78	78	313
			Partial	78	87	9	143
			Sulphide	87	300 EOH	213	394
			incl	153	159	6	860
			incl	282	286	**4**	**1064**
DD16	North West	60 dip and drilled north	Oxide	0	92	92	432
			incl	44	66	22	712
			Partial	92	100	8	404
			Sulphide	100	300 EOH	200	428
			incl	150	164	14	625
			incl	234	248	14	681
RCD38	Mid North	90 (vertical)	Oxide	0	87	87	587
			Partial	87	114	27	430
			Sulphide	114	288	174	348
			incl	123	135	**12**	**1099**
				288	406 EOH	118	105
RC59	Mid North	90 (vertical)	Oxide	0	84	84	738
			incl	12	18	**6**	**1006**
			Partial	84	99	15	374
			Sulphide	99	222 EOH	123	544
			incl	213	222 EOH	**9**	**906**
RC37	Mid North	90 (vertical)	Oxide	0	51	51	480
			Partial	51	81	30	375
			Sulphide	81	246 EOH	165	388
			incl	210	216	6	723
RC05	Mid North	60 dip and drilled north	Oxide	0	60	60	354
			Partial	60	84	24	290
			Sulphide	84	150 EOH	66	390
			incl	126	138	12	605
RC36	Mid North	90 (vertical)	Oxide	0	57	57	676
			Partial	57	72	15	579
			Sulphide	72	246 EOH	174	392
			incl	72	90	18	727
RC40	North east	90 (vertical)	Oxide	0	66	66	293
			Partial	66	99	33	261
			Sulphide	99	213 EOH	114	288
			incl	210	213 EOH	3	604

Deeper Drilling

A number of diamond tails have been completed recently to test depth extensions in the south (RCD52 and RCD70), southwest (RCD46) and east (RCD47) of the deposit. It is anticipated that assay data from these holes will be available in the next few weeks.

It is planned to drill up to ten additional diamond tails across the deposit, particularly in the north and east to test the depth extent of the deposit below 250m.

Scoping Study

As RC and diamond drilling continue to extend the deposit, both laterally and at depth, it has been decided to defer the main scoping study work until the resource is more clearly defined. However, a number of preliminary studies are being carried out in parallel with the drilling to facilitate the assessment of the resource.

Future Programme

Based on data obtained to date, Zamia will now focus on the following work:

- Continue detailed exploration of the Anthony molybdenum deposit to determine its extent, both laterally and at depth by both RC drilling and diamond tails.
- Continue to develop the geological model for the Anthony deposit.
- Update the Anthony resource estimation as further assays become available.
- Initiate a Scoping Study after the size of the Anthony resource is better understood.
- Continue exploration around Anthony to test for other porphyry-style deposits.
- Continue to test other targets (particularly gold and copper) on the Company's tenements 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 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. 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.