ZAMIA GOLD
MINES LIMITED

ABN 73 120 348 683

QUARTERLY ACTIVITES REPORT
for the Quarter ending
30 JUNE 2007

Zamia Gold Mines Limited (ASX-ZGM) is an Australian-based mineral exploration company. Exploration is focussed exclusively on the Clermont region in Central Queensland.

Highlights

- Zamia Gold Mines Limited ("ZGM") successfully completed a non-renounceable option issue whereby shareholders as at 4 June 2007 were entitled to subscribe for one option priced at one cent for every two shares held. The option exercise price is 20 cents on or before 27 June 2009. The $252,500 raised will be used to advance exploration in the Clermont region of Central Queensland.

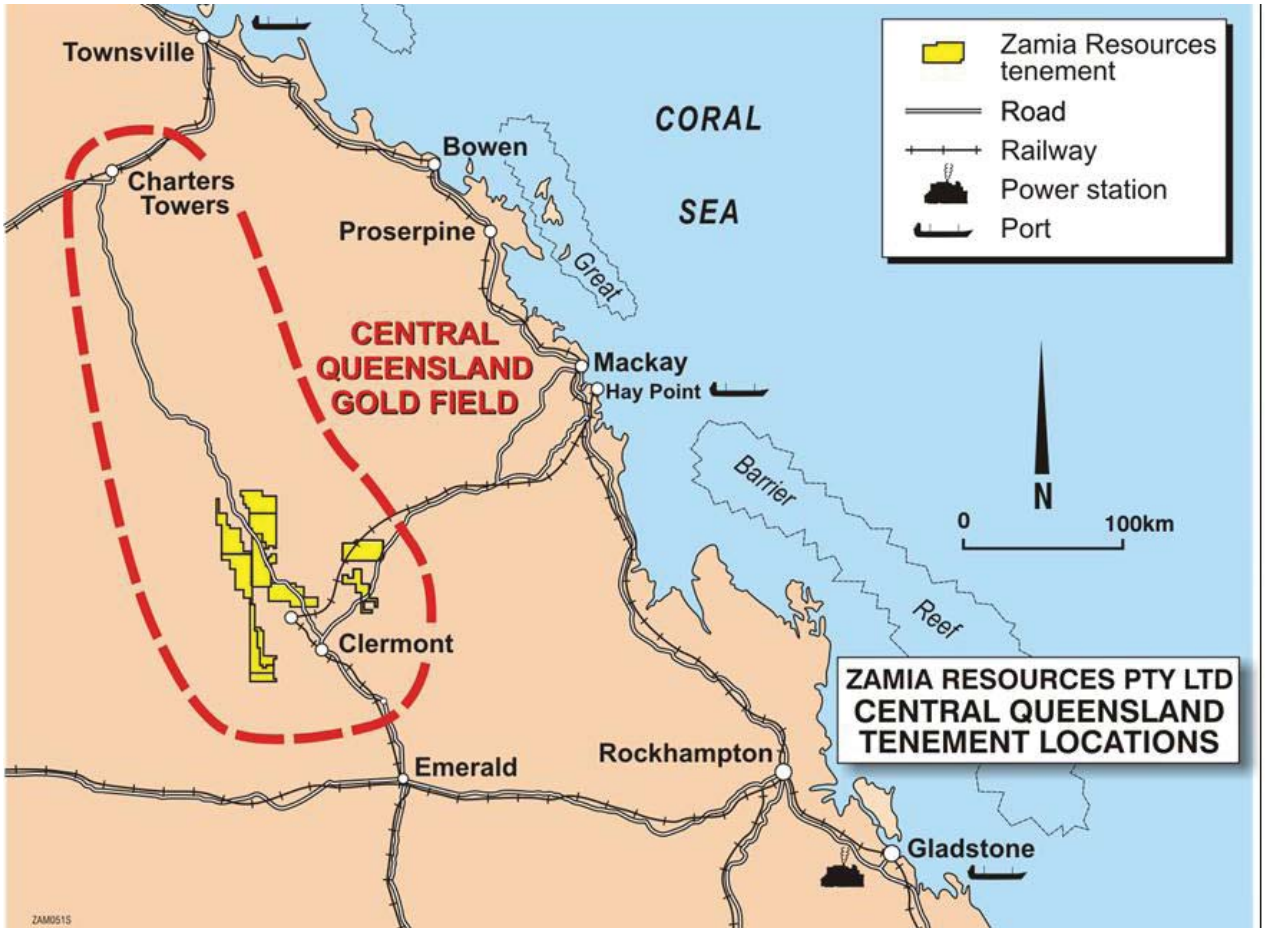
- A comprehensive interpretation of aeromagnetic and radiometric surveys over ZGM's entire tenement package has led to identification of a large caldera structure, the Mount Rolfe Caldera. Associated structures and hydrothermal alteration are characteristically coincident with epithermal gold deposits.

- Drilling results from the Belyando and Lucky Break mine areas confirmed the continuation of gold mineralisation in the target areas and new aeromagnetic data has highlighted potential for further gold discovery below soil cover adjacent to both prospects.

- Zamia Resources Pty Ltd (ZGM's wholly-owned operating subsidiary) strengthened its tenement position by lodging two new Exploration Permits for Minerals (EPMs) applications covering approximately 299 km². The Company's tenement portfolio in the Clermont region now comprises nine EPMs totalling 2543 km² and three EPM applications covering a further 496 km².

- Dr Ken Maiden was appointed a Non-executive Director of Zamia Gold Mines Limited. Dr Maiden is also on the board of Copper Range Limited and is a founding Director and Chief Geologist of International Base Metals Limited.

“Gold Exploration and Development in Central Queensland”



Company Strategy

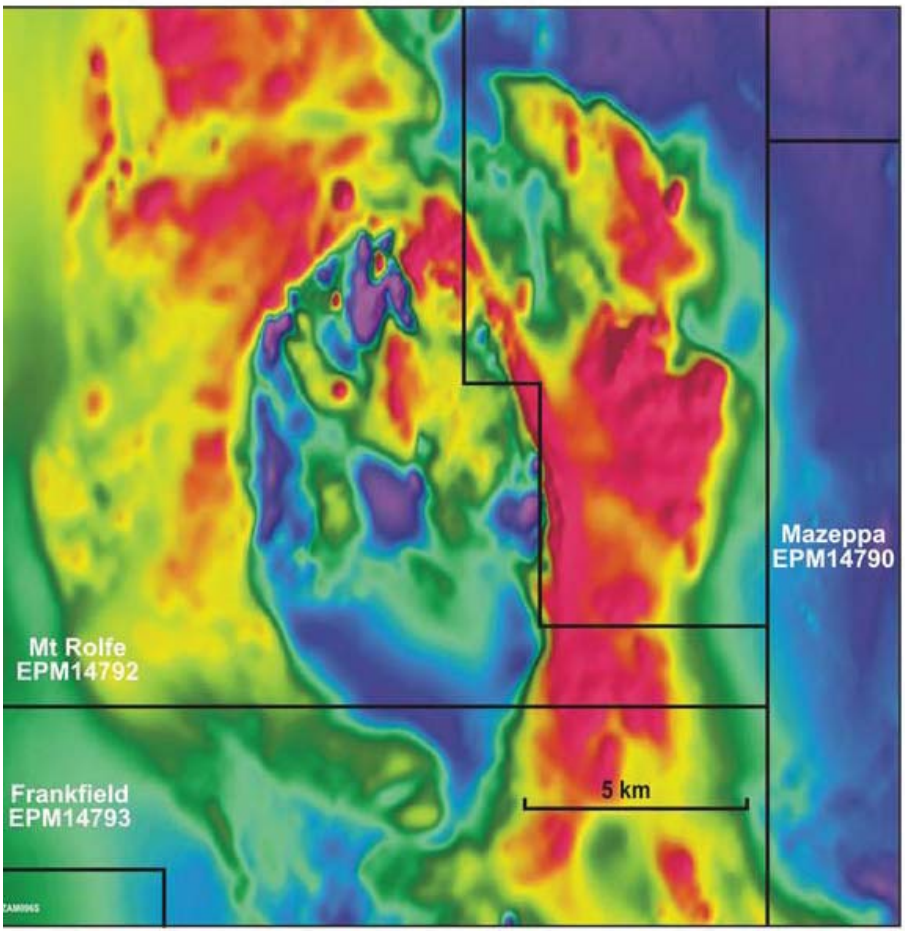
ZGM is a focussed mineral exploration company. Its objective is to discover and delineate gold resources in the Central Queensland Gold Province. To this end, the Company has acquired a large and strategically significant tenement position in the Clermont region, prospective for gold and copper-gold deposits.

The Company’s strategy is to use its geological expertise to define and prioritise exploration targets within its tenements and to focus its resources on testing the priority targets.

In addition, the Company continues to seek other opportunities within the Central Queensland region.

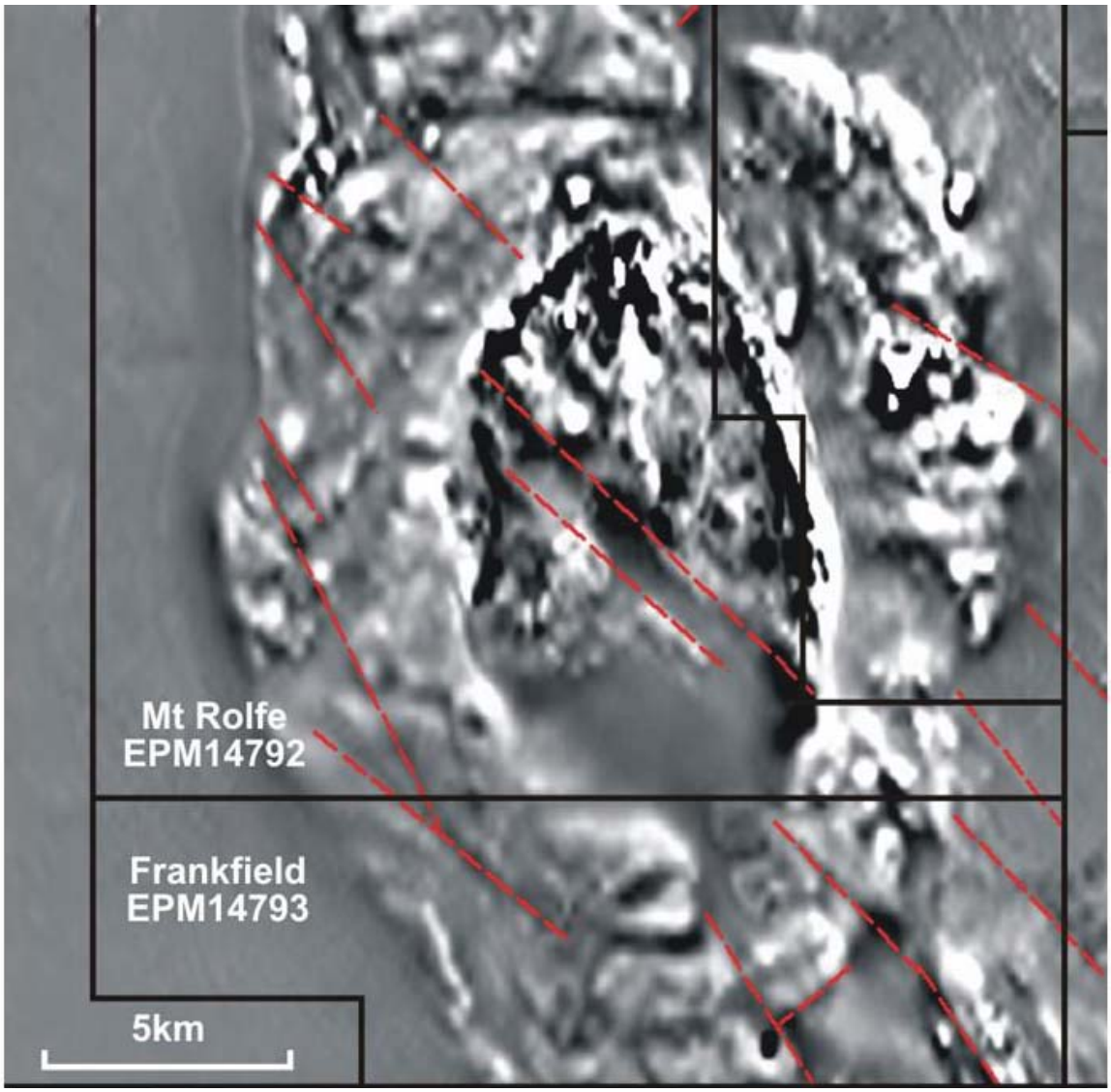
Mount Rolfe Caldera

Geological mapping and interpretation of regional magnetic data have led to the identification of a Carboniferous-age volcanic caldera (explosive volcanic centre), measuring about 15 x 7 km, within the Company's Mount Rolfe and Frankfield tenements. Elsewhere in the world, such structures host world-scale epithermal gold deposits (e.g. Lihir, Papua New Guinea – 44 million ounces gold; Vatukoula, Fiji – 5 million ounces gold). The recognition of a large caldera opens up the possibility for discovery of very substantial gold systems within the Company's tenements.



Total magnetic intensity (tmi) image showing the large elliptical caldera. The central zone of rhyolitic rocks, about 7km across, is flanked by an apron of andesitic volcanic rocks

The magnetic imagery highlights a ring fracture plus other faults and fractures, which have been the focus for the movement of potentially gold-bearing hydrothermal fluid, as shown by extensive demagnetisation along the structures. Such structures host much of the high grade epithermal mineralisation in world-class caldera-related gold systems.



Grey-scale first vertical derivative magnetic image which highlights northwest-trending faults & fractures. A large ring fracture system is also evident as an arcuate zone of demagnetisation

Detailed geological mapping has identified numerous features indicative of epithermal gold similar to that elsewhere in the Central Queensland Gold Province, such as the 3 million ounce Vera Nancy deposit and the nearby Lone Star deposit. Such features include the presence of alunite, a common epithermal alteration mineral, and distinctive epithermal-type vein quartz. Elevated gold concentrations in 'float' samples support the interpretation of epithermal gold systems. A number of distinct exploration targets have been identified as associated with the caldera feature.

Exploration programmes are under way to test the identified structures. Many of the target areas are covered by transported alluvium and drill targets are being refined with the use of Mobile Metal Ion (MMI) geochemistry and geophysical induced polarisation (I.P.) surveys.

"Aeromagnetic and Radiometric Surveys have led to the identification of a large caldera structure"

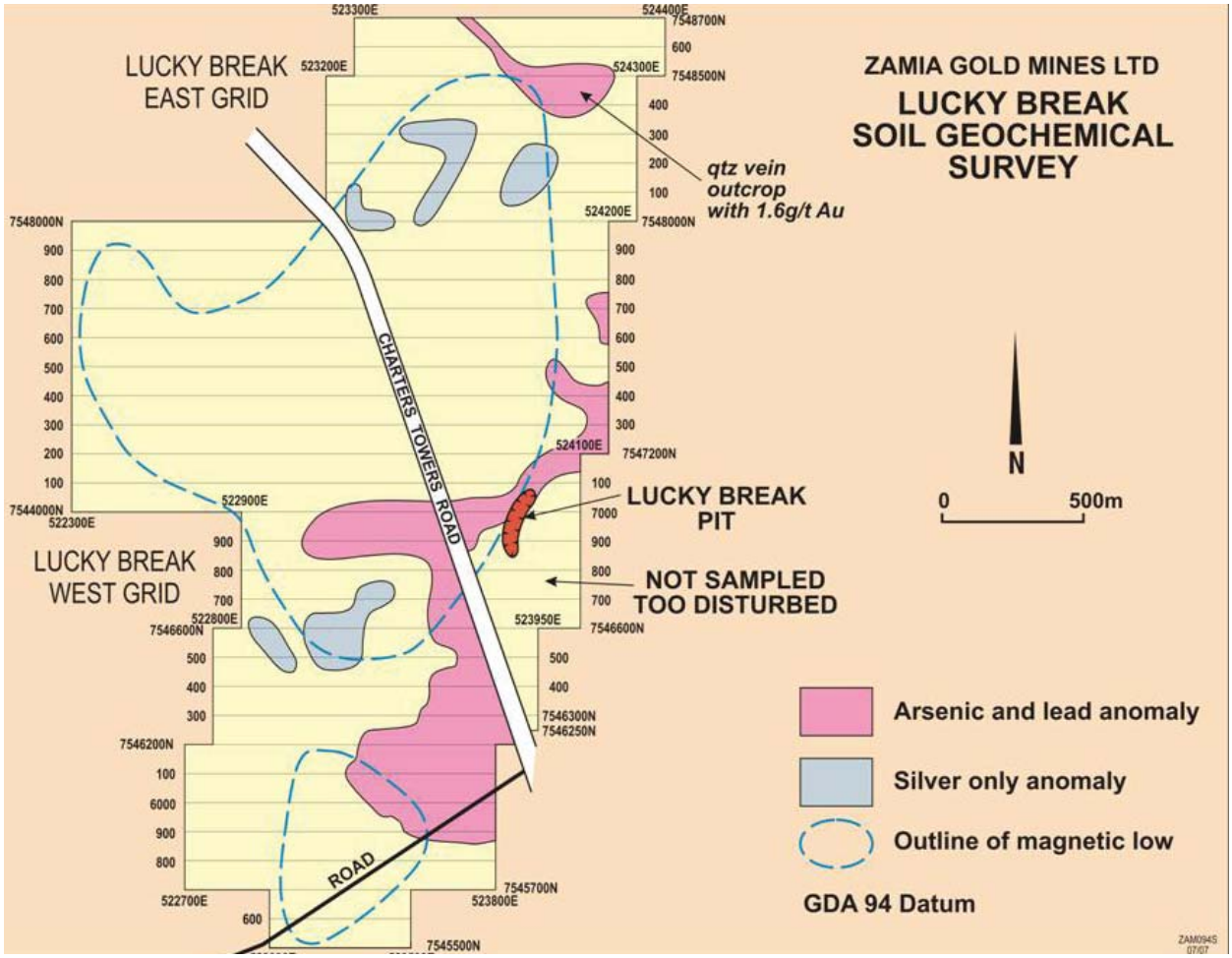
Belyando and Lucky Break Prospects

Final results from the 13 hole 2,139 metre Reverse Circulation drilling programme at Belyando and Lucky Break revealed extensions to gold mineralisation including a northerly plunging narrow high grade zone (15g/t Au over 1m). A summary of the best results is tabulated below.

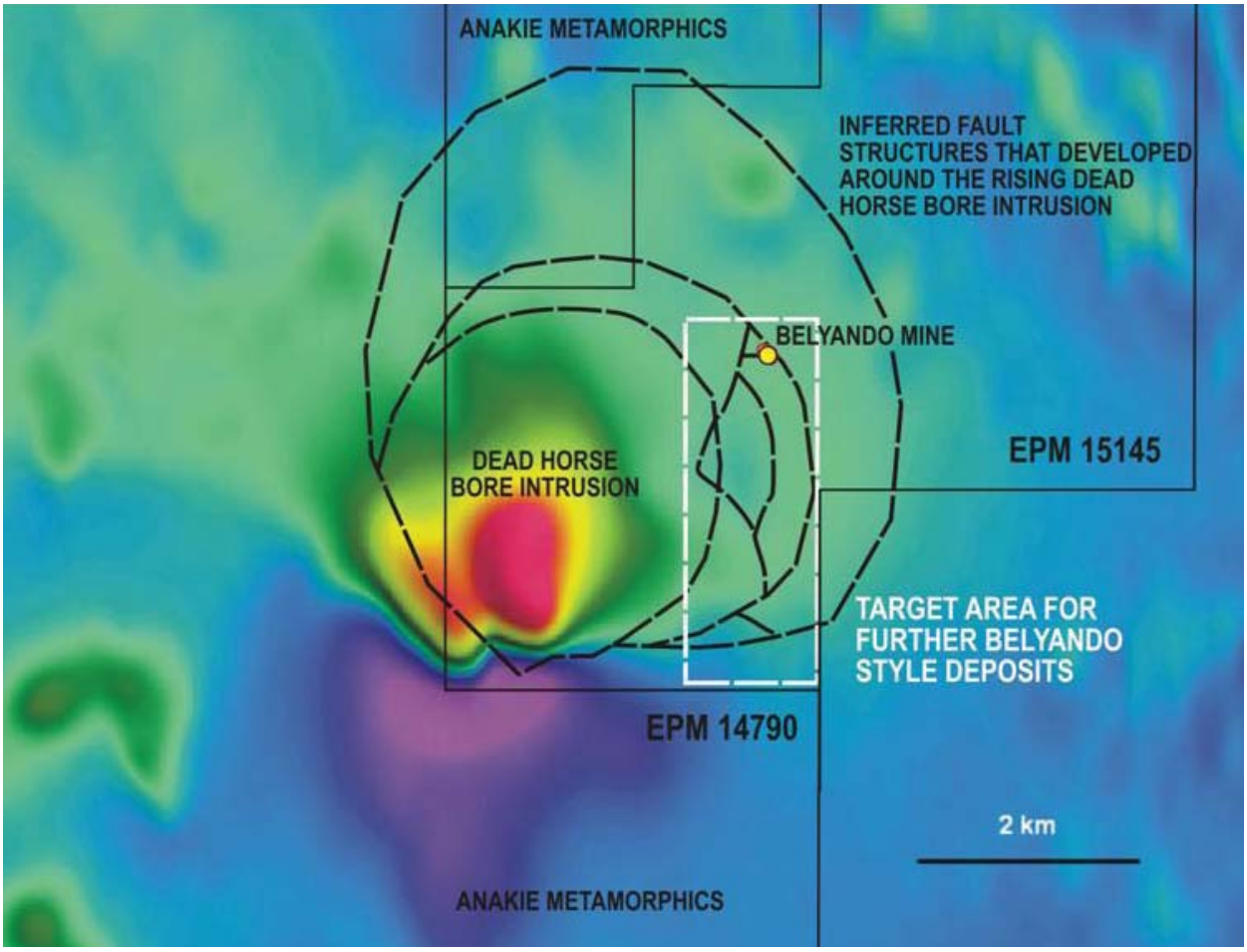
Hole No	Northing	Easting	RL	Azimuth	Dip	Hole Length	From m	To m	Interval Width m	Grade Au g/t
Lucky Break										
LB001a	46899	23777	287	122	60	154	**72** **59** **110**	**73** **64** **115**	**1** **5** **5**	**15.0** **2.1** **2.8**
LB001	46892	23796	286	122	60	200	**155**	**158**	**3**	**2.0**
LB002	46872	23783	284	122	60	100	44 55	48 58	**4** **3**	1.8 1.4
LB003	46840	23738	284	122	60	99	56	62	**6**	1.2
LB005	46759	23685	286	122	60	150	76 93 **123**	77 95 **126**	1 2 **3**	1.5 1.5 **2.0**
LB006	46700	23669	281	122	60	200	**68** 103	**69** 106	**1** **3**	**2.9** 1.6
Belyando mine										
BY003	35007	30291	260	303	60	208	27 **128** 179	29 **129** 186	2 **1** **7**	1.3 **2.0** 1.7

The aeromagnetic data have been a significant aid to identification of potential extensions to the Belyando and Lucky Break mineralisation. At both prospects, broad magnetic "lows" of apparent magnetite destruction are consistent with gold mineralisation at these prospects.

At Lucky Break, subsequent soil geochemical survey results have outlined a large arsenic, lead and silver anomaly coincident with the geophysical feature. Follow-up sampling and analyses for gold anomalism using the MMI analysis method is now under way. Geophysical (IP) surveys will finalise drill site priorities.



At Belyando, transported black soil cover precludes the application of conventional soil geochemistry and IP surveys are planned to identify drilling targets.



Total magnetic intensity (TMI) image showing the Belyando gold deposit associated with ring fractures around a buried intrusive igneous body

Disclaimer

Dr K J Maiden (FAusIMM, MAIG), a Director of Zamia Gold Mines Limited, compiled the technical aspects of this report. Dr Maiden is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and the type of deposits under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves." Dr Maiden consents to the inclusion of the matters in the form of context in which it appears.

ZAMIA GOLD
MINES LIMITED

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