

7 August 2008

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

Dear Sir,

**ZGM 2008/26 – ANTHONY MOLYBDENUM PROJECT TESTWORK CONTRACTED**

Zamia Gold Mines Limited (ZGM) has previously reported significant molybdenum (Mo) mineralisation in the weathered zone above the Mo sulphide mineralisation at its Anthony project in central Queensland.

ZGM has contracted AMMTEC, an experienced metallurgical laboratory in Perth, WA, to examine processing options for the Mo rich weathered material. The weathered Mo mineralisation, which varies (from surface) in thickness from 50 to 100 metres (m), **creates a significant additional opportunity for ZGM to enhance the Anthony project.** As the weathered zone is overburden to the Mo sulphide zone and will need to be extracted in order to mine the underlying Mo sulphide, successful treatment of material from this weathered zone would significantly enhance the value of any mining project.

All 16 holes completed to date (13 RC percussion and 3 diamond) have intersections in the surface weathered zone greater than 200 parts per million (ppm) Mo, the cut-off grade for some current Mo development projects. Eleven of these holes averaged from surface between 297 and 611ppm Mo with a weighted average of 440ppm (0.044%) Mo. (See Table 1)

Significant holes include RC08 A012 with **75m @ 615ppm** (0.0615%) Mo, RC08 A008 with **63m @ 608ppm Mo** and RC08 A002 with **81m @ 515ppm Mo.** (See hole locations in Figure 1)

Diamond drilling of the Anthony discovery is continuing with hole DD08A 017 close to completion at 300m depth. The next diamond drill holes will include:

- extending RC08A 009 which found significant silver, gold, lead and copper at the bottom of the hole (149 – 150m),
- extending RC08A 012 from 150m, and
- extending CRA hole DBT 22 which contained Mo mineralisation up to 3m thick at 759ppm from 129m depth.

Yours sincerely

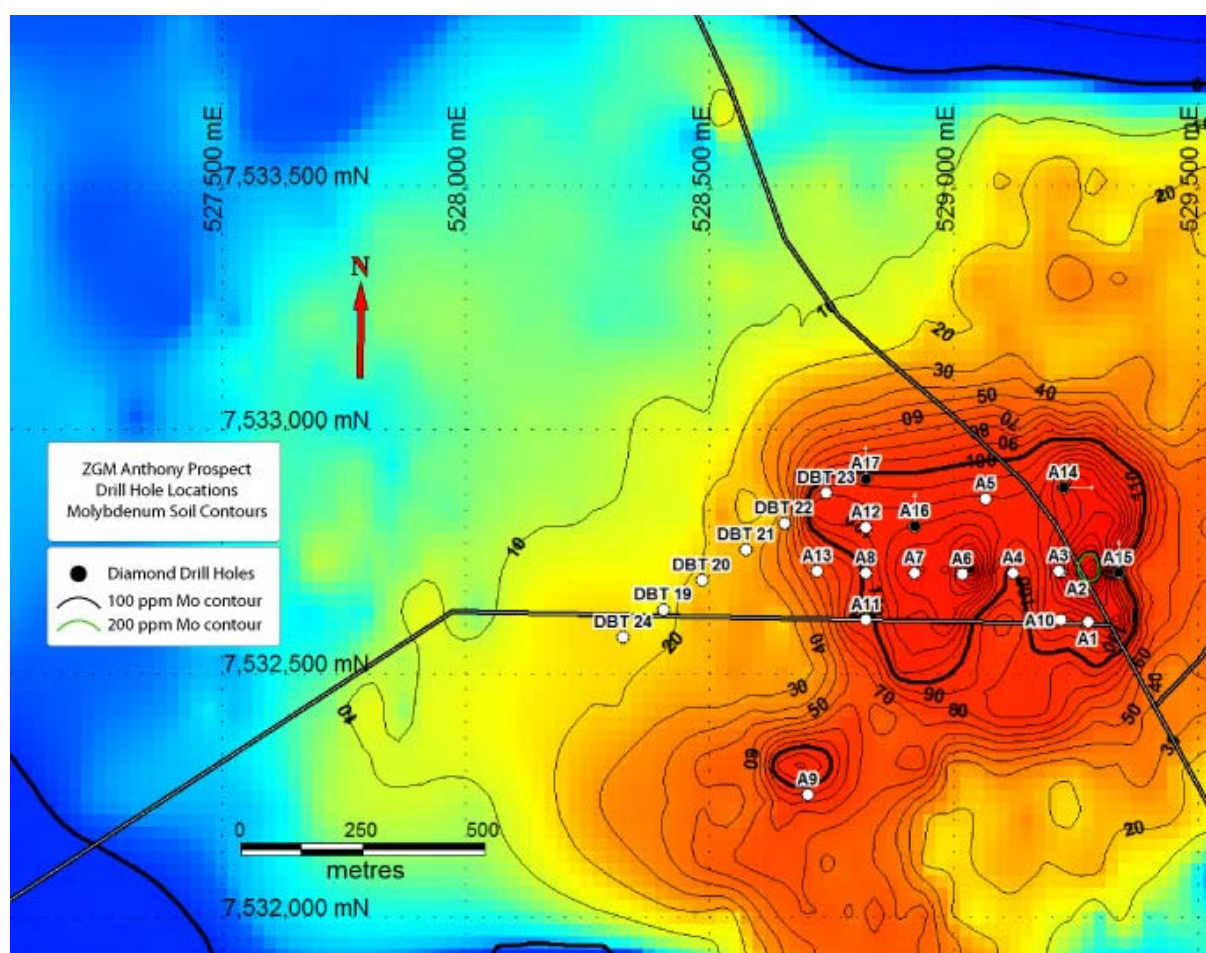


Colin Seaborn  
Executive Director

**Table 1: Significant Molybdenum in Weathered Zone**

HOLE No	From	To (m)	Width (m)	Average Mo (ppm)
A001	0	60	60	478
A002	0	81	81	515
A003	0	78	78	466
A005	0	69	69	346
A007	0	69	69	389
A008	0	63	63	608
A010	0	111	111	400
A012	0	75	75	617
A014	0	81	81	297
A015	0	69	69	351
A016	0	100	100	429

**Figure 1 – Hole Locations**



### Competent Person

Mr R N (Sam) Lees (FAIG, FAusIMM), compiled the technical aspects of this report. Mr Lees is Executive Director - Technical, Zamia Gold Mines Limited. Mr Lees is a Fellow of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity that is 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". Mr Lees consents to the inclusion of the matters in the form and context in which it appears.