



# **ZAMIA GOLD**

**MINES LIMITED**

18 January 2008

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

Dear Sir,

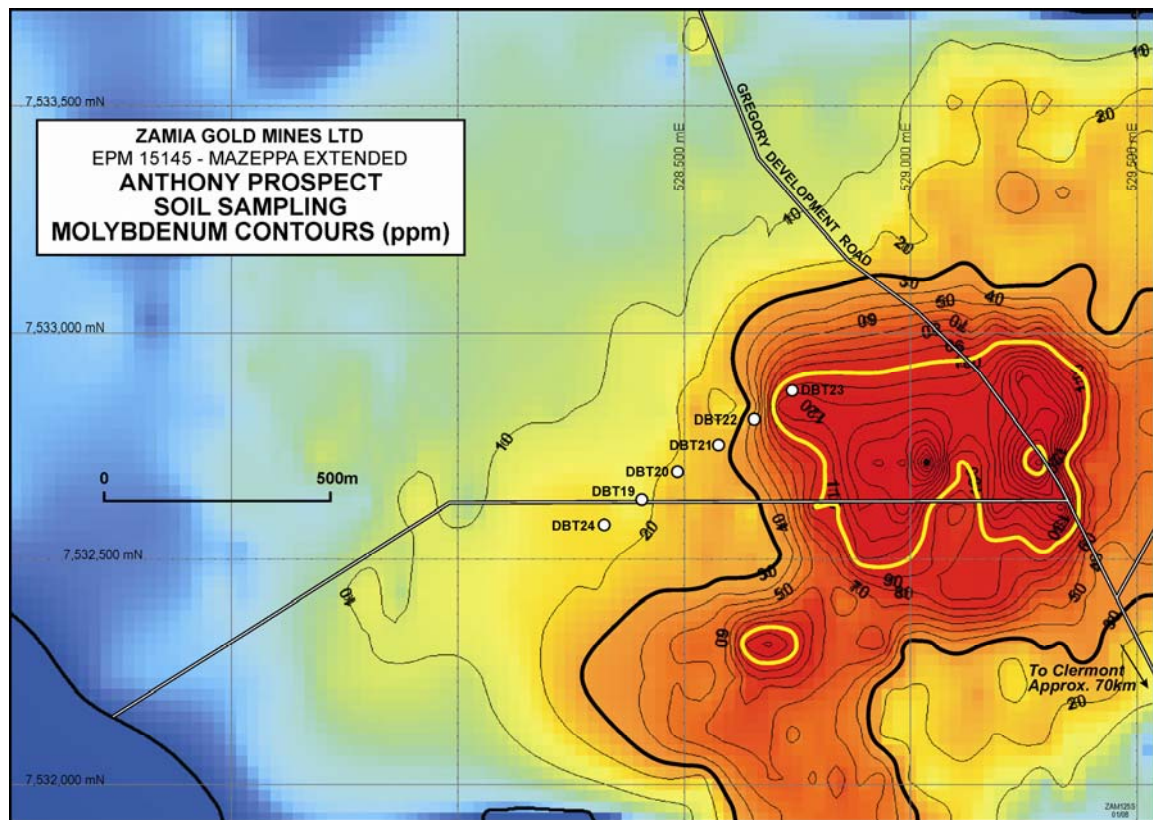
## **ZGM 2008/002 – DRILLING CONTRACT FOR LARGE MOLYBDENUM SOIL ANOMALY AT ANTHONY PROSPECT – CENTRAL QUEENSLAND**

- **As reported on 15 January 2008 ZGM has outlined a large molybdenum “Mo” soil anomaly covering one square kilometre at its Anthony prospect in Central Queensland.**
- **ZGM has now signed a drilling contract and the rig is expected to be mobilised to the site by 28 January 2008.**
- **A minimum of 1500 metres drilling of the anomaly has been contracted.**
- **The only two historic holes, which are located in the anomalous zone, both ended in mineralisation and intersected significant widths (up to 100m) of Mo mineralisation grading approximately 200ppm Mo.**
- **The Anthony prospect has the potential to add significant value to ZGM**

## **DRILLING PROGRAMME**

As reported previously, the anomalous zone with soil values greater than 30ppm Mo is approximately one square kilometre in area and remains open to the east and south. Within the zone there is a core approximately 700m x 400m with values greater than 100ppm Mo (see yellow contour below). The initial drill holes of up to 150m depth will focus on this core.

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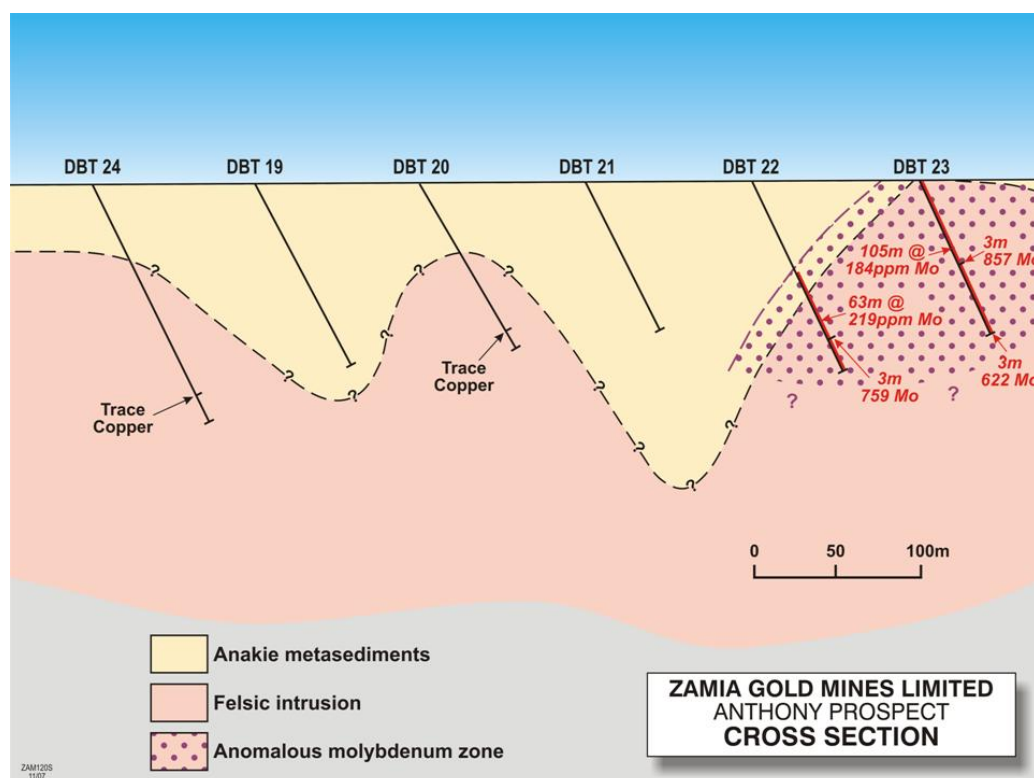


## HISTORICAL RESULTS

The two historic drill holes (DBT 22 and DBT 23) which encountered Mo mineralisation are located on the western fringe of the anomalous zone.

The collar of DBT 22 falls within the 30ppm Mo soil sampling contour, while DBT 23 is on the western limit of the 100ppm Mo contour (marked in yellow on the soil sampling diagram).

The conceptual cross section through the historic holes is an indication of the relationship between the drill holes.



## **MOLYBDENUM BACKGROUND**

ZGM is excited about the **Anthony** prospect as the potential growth of the molybdenum market makes it an attractive commodity. The price is currently about US\$30/lb (more than US\$66,000/t). Some analyses predict demand to rise from around 200,000 tonnes per annum to 500,000 tonnes per annum by 2030 (CPM group, Roskill).

Large deposits either at the feasibility study stage or under construction (such as Spinifex Ridge, WA or Ruby Creek, Canada) have resource grades of 600ppm to 800ppm Mo (ppm equals parts per million, 1000ppm = 1kg/tonne) and use cut off grades of about 300ppm Mo.

For and on behalf of the board,

A handwritten signature in dark ink, appearing to read 'Colin Seaborn', with a long horizontal flourish extending to the right.

**Colin Seaborn**  
*Executive Director*

Mr R N (Sam) Lees (FAIG, FAusIMM), compiled the technical aspects of this report. Mr Lees is a consultant geologist to 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.