



ZAMIA GOLD
MINES LIMITED

19 November 2008

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

Dear Sir,

ZGM 2008/0034 – Chairman's Address at 2008 AGM

Attached is the Chairman's Address given to the Annual General Meeting which commenced at 2.00pm today.

Geoffrey Broomhead

Company Secretary

At last year's Annual General Meeting I went through the genesis of the Company and detailed the work that had been done on its gold targets. At that stage I made mention of a very promising molybdenum target, the Anthony prospect, that had been highlighted by Mr Sam Lees who had just taken on the role of Exploration Manager.

One year on, Zamia has come a long way and it has been largely due to this shift of emphasis from gold to molybdenum and in particular, the Anthony prospect. It was clear last year that the funds on hand had been rapidly depleting, so in this past year most of the exploration has been funded very much on a hand to mouth basis. We were highly gratified by shareholders' support in what was then regarded as difficult times in the market, with a Share Purchase Plan in March this year enabling the initial RC scout drilling to be extended in an attempt to scope the potential size and grade of the deposit. It did demonstrate that higher grades persisted within the deposit – an excellent result.

In May the Company received a further \$990,000 placement via a shareholder – West Minerals, becoming a major shareholder as a result. This funding provided the opportunity to undertake diamond drilling to expand the geological understanding and extend the sulphide mineralised zone at depth. The drilling took considerably longer than expected but never-the-less demonstrated significant success and underpinned the significance of the deposit. The results identified that the oxide zone from the surface down to 50-70 m held moderate molybdenum mineralisation and the Company has taken the initiative to research the economic potential of this zone. Early results of initial work are very encouraging and suggest that Zamia, may achieve a saleable product from this mineralisation rather than treating this overburden as waste. Thanks are due to Dr Colin Seaborn.

Other initiatives the Company has taken include visits from independent porphyry experts who have opined that the Anthony deposit may be part of a much larger porphyry system

that may make it among the more significant porphyry systems in eastern Australia.

In summary, Anthony is a high grade molybdenum deposit with extremely favourable logistics due to its location and therefore has the potential for accelerated mine development.

It is gratifying that other would-be molybdenum producers have joined the share register, which provides independent corroboration of the Company's intrinsic value for other shareholders.

Despite all this success unfortunately in recent months the Company has been unable to secure appropriate funding to complete the drilling necessary to obtain a JORC resource and has curtailed major expenditures until additional funding is obtained in the New Year.

To this extent the Company has removed wherever possible all discretionary expenditures.

The Company is now managed by the four Non-executive Directors seated before you who also have chosen to cease the payment of Directors fees in order to conserve the Company's cash position.

Recently the Company received ongoing financial support with a further placement of shares to West Minerals Pty Ltd which stabilised the Company's financial position. The Company's second largest shareholder, International Base Metal Limited, also assisted by agreeing to continue to provide administrative and technical services to the Company but receiving payment in shares in lieu of cash.

The ability of the Company to operate in the short term under these conditions requires shareholder approval. To this end Directors today called an Extraordinary General Meeting of

shareholders which will be held on 18 December 2008 seeking shareholders support and approval for:

1. To ratify this further placement to West Minerals and refresh the Company's ability to place a further 15% of its shares in the future;
2. To approve the variation to the IBML contracts and provide for the issuance of shares in lieu of cash; and
3. Approval to issue options at double current prices to Directors and the Company Secretary who are currently providing services to the Company for no fee payment.

Directors do not know what the future holds for the Company but agree unanimously that the Company is worthy of their support and they expect to complete in the New Year an Information Memorandum detailing the Company's prospectivity and potentiality which hopefully will encourage a significant recapitalisation of your Company and enable the completion of the drilling programme and the identification of a JORC resource as the initial step to possible mine development in 2011.

In September Zamia was one of 240 exploration companies with a market capitalisation of under \$10 million. It was 29th and one of only a handful with a project with commercial potential. Today that list has expanded to 300 and ZGM has slipped to 127th but still remains one of only a dozen with a developable project.

The Company continues to receive support from its two major shareholders. All Directors, being aware of their responsibilities and fiduciary duties to all shareholders, intend to continue in office to support the Company's objectives and add value to your investment in our Company.

You are shareholders in a successful exploration company and I look forward to updating you with further progress at the Extraordinary General Meeting in December.