

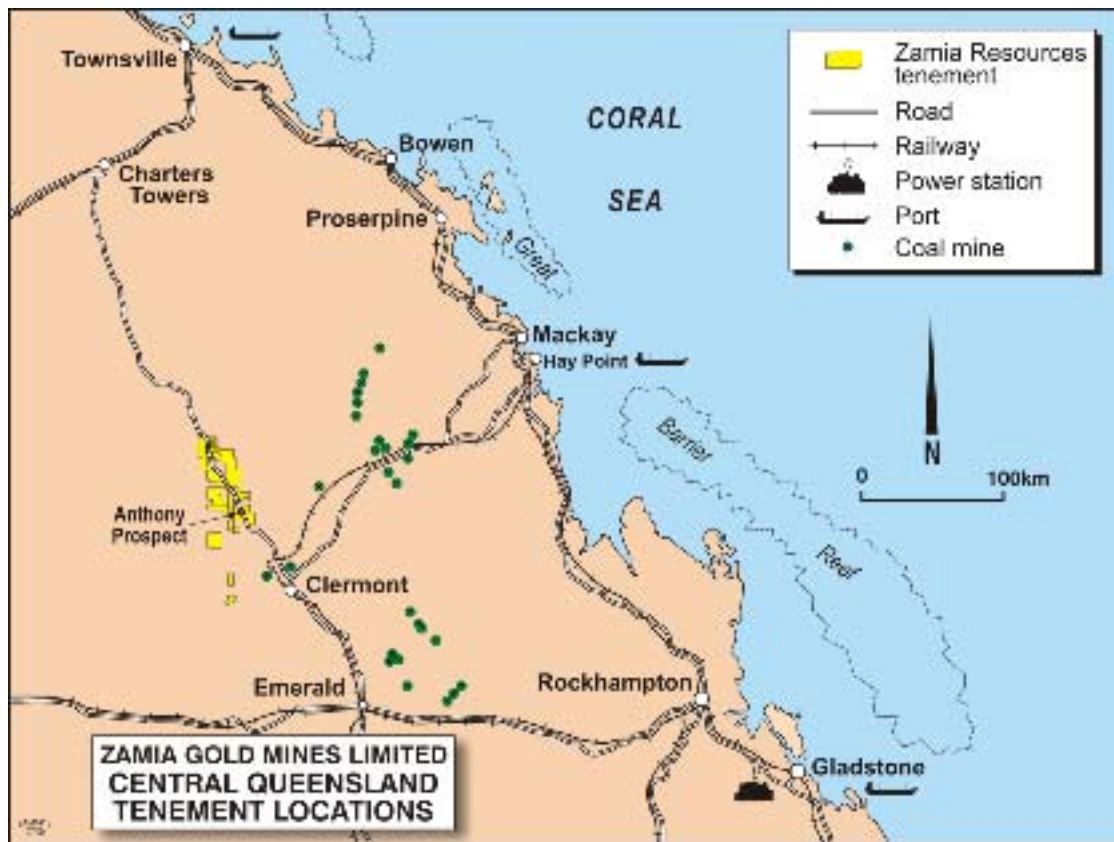


## QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 30 June 2009

### Background

Zamia Gold Mines Limited (ASX-ZGM) is an Australian-based mineral exploration company. Through a wholly-owned subsidiary, Zamia Resources Pty Ltd, ZGM holds a portfolio of tenements in the Clermont district of central Queensland, primarily to explore for molybdenum, gold and base metal deposits in the Drummond Basin.



*Location map of Zamia's exploration tenements*

Review of past exploration data showed that two shallow reverse circulation (RC) holes, dating from the 1990s, had intersected elevated molybdenum (Mo) concentrations in an area 75 km north of Clermont. In the second half of 2007, Zamia initiated a soil geochemical survey which showed geochemically anomalous Mo-in-soil over an area of about 1000m x 500m at what was then named the Anthony prospect.

In early 2008, an initial RC drilling programme to 150m depth showed potentially economic molybdenum grades over an area of 750m x 300m in what was interpreted to be a porphyry-style deposit. Encouragingly, the drilling showed a central "core" of high grade (+ 800 ppm Mo) mineralisation.

In mid-2008, a diamond drilling programme confirmed that Anthony is a porphyry-style molybdenum deposit related to high-level porphyritic intrusive bodies and showed that potentially ore-grade concentrations extend to at least 300m depth.

In the meantime, Zamia continued with its regional exploration programme. Soil geochemical surveys identified a number of gold anomalies. Induced polarisation (I.P.) surveys also indicated a number of features consistent with gold mineralisation at two prospects. These surveys defined gold targets to be tested by drilling.

Zamia had planned to commence a resource drilling programme on the Anthony deposit during late 2008. However, in October 2008, the molybdenum price collapsed from around US\$33 /lb to below US\$10 /lb, and continued to slide during the early part of 2009. Together with the world “credit crunch”, this made it very difficult for Zamia to raise funds to continue its exploration programme. As a result, the Company reduced its activities very substantially to conserve its funds.

The Company remains committed to its exploration focus in the Clermont district. With the recent partial recovery in the molybdenum price to above US\$13 /lb, Zamia is optimistic that the price will continue to improve to levels such that the Anthony deposit could support a viable mining and processing operation. The next steps are to define a JORC resource and to carry out a pre-feasibility study on the project.



Zamia plans to raise funds to resume resource drilling on the Anthony prospect during second-half 2009.

Further details of the exploration projects are available on the Company's website [www.zamiagold.com.au](http://www.zamiagold.com.au).

## Exploration Activities

During the June quarter, ZGM continued geological assessment of its tenement package, aimed at prioritising targets and establishing a robust programme of work. There were no significant field activities.

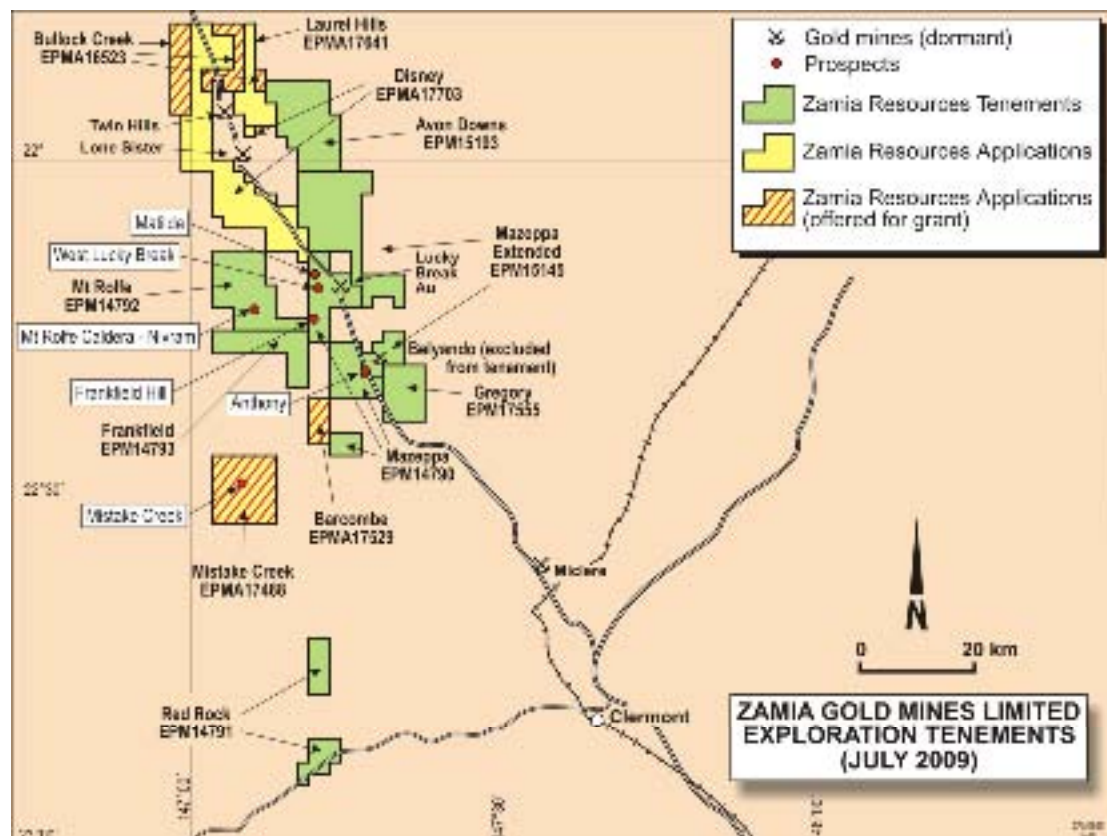
## Assessment of Gold Potential

A review of the Company's projects indicated the best potential for gold discovery at the following targets:

Tenement	Prospect	Size potential	Likely grade	Style	Depth
Mazeppa Ext.	Jane	100,000 - 200,000 oz	2 g/t	Oxide	0-100m
Mazeppa	West Lucky Break	200,000 - 400,000 oz	2 g/t	Oxide	0-120m
Mazeppa	Matilda	100,000 - 200,000 oz	2 g/t	Oxide	0-100m
Mazeppa	Frankfield Hill	100,000 - 200,000 oz	2 g/t	Oxide	0-100m
Red Rock	Eagle	100,000 - 200,000 oz	2 g/t	Oxide	0-100m
Mount Rofe	Nivram	200,000 - 500,000 oz	2 g/t	Oxide	0-100m
		1,500,000 oz	10 g/t	Primary	> 150m

## Exploration Tenements

EPM 14522 Denham Range, consisting of 12 sub-blocks for the fifth year, expired on 29 June 2009. A renewal was not applied for, as the exploration activities over this area were considered to have adequately tested the areas of interest. Zamia's tenement position is now as shown on the accompanying map.



*Zamia's tenement position*

## **Corporate Activities**

A number of presentations were made to prospective investors and financial intermediaries. Joint venture discussions over gold interests were pursued without conclusion during the quarter.

The 25,250,000 Options Issue exercisable at A\$0.20 to 27 June 2009 lapsed with only 59,155 Options exercised over the life of the issue.

For and on behalf of the Board,

Stephen E Blackman  
Chairman

Dr Ken Maiden (MAIG, FAusIMM), compiled the technical aspects of this report. Dr Maiden is a Director of Zamia Gold Mines Limited. He is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activities that are 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". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear.