



ASX: ZGM

20 June 2011

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

Zamia announces updated Anthony molybdenum resource

MAIN POINTS

- **Independent resource consultants, Hellman & Schofield Pty Ltd (H&S), have updated the Inferred Resource estimate for the Anthony molybdenum (Mo) deposit**
- **New drilling data from outside the high grade zone strengthens the Anthony resource estimate**
- **The Inferred Resource for the primary (sulphide) zone stands at 103 million lb contained Mo at a 400 ppm Mo cut-off grade**
- **H&S estimates that 70 - 80% of the Inferred Resource will eventually report to Indicated and Measured resource categories**
- **Further deeper diamond drilling underway**

Updated Resource Estimate

Independent resource consultants, Hellman & Schofield Pty Ltd (H&S), have produced an updated Inferred Resource estimate for the Anthony deposit, near Clermont in Central Queensland (refer to Table 1). This latest estimate includes data from drill holes which have been assayed since the previous resource update on 25 February 2011.

The new holes included in this resource update are reverse circulation (RC) holes on the edges of the deposit targeting the lateral extensions of the resource rather than the deeper high grade zones (see Figure 1). As a result, the latest resource estimate strengthens, rather than materially increases, the February resource estimate.

Table 1: June 2011 Inferred Resource estimates for sulphide, transition and oxide zones by H&S

Cut-off grade	Sulphide Resource			Transition and Oxide Resource			Total Resource		
	Mo (ppm)	Mt	Contained Mo (million lb)	Mt	Mo (ppm)	Contained Mo (million lb)	Mt	Mo (ppm)	Contained Mo (million lb)
600	20	840	35	4	680	7	23	800	40
400	80	570	103	25	520	27	110	560	130
200	190	420	173	70	370	57	260	400	230

(Tonnes and grades have been rounded and round-off errors may occur. Results above cut-off grades higher than 500 ppm Mo are subject to some uncertainty)

Table 1 indicates that, when near-surface oxide and transition (partly oxidised) material are included, the total resource is 260 million tonnes (Mt) at 400 ppm Mo (230 million lb Mo), including 23 Mt at 800 ppm Mo (40 million lb Mo). Molybdenum is currently priced around US\$17 per lb.

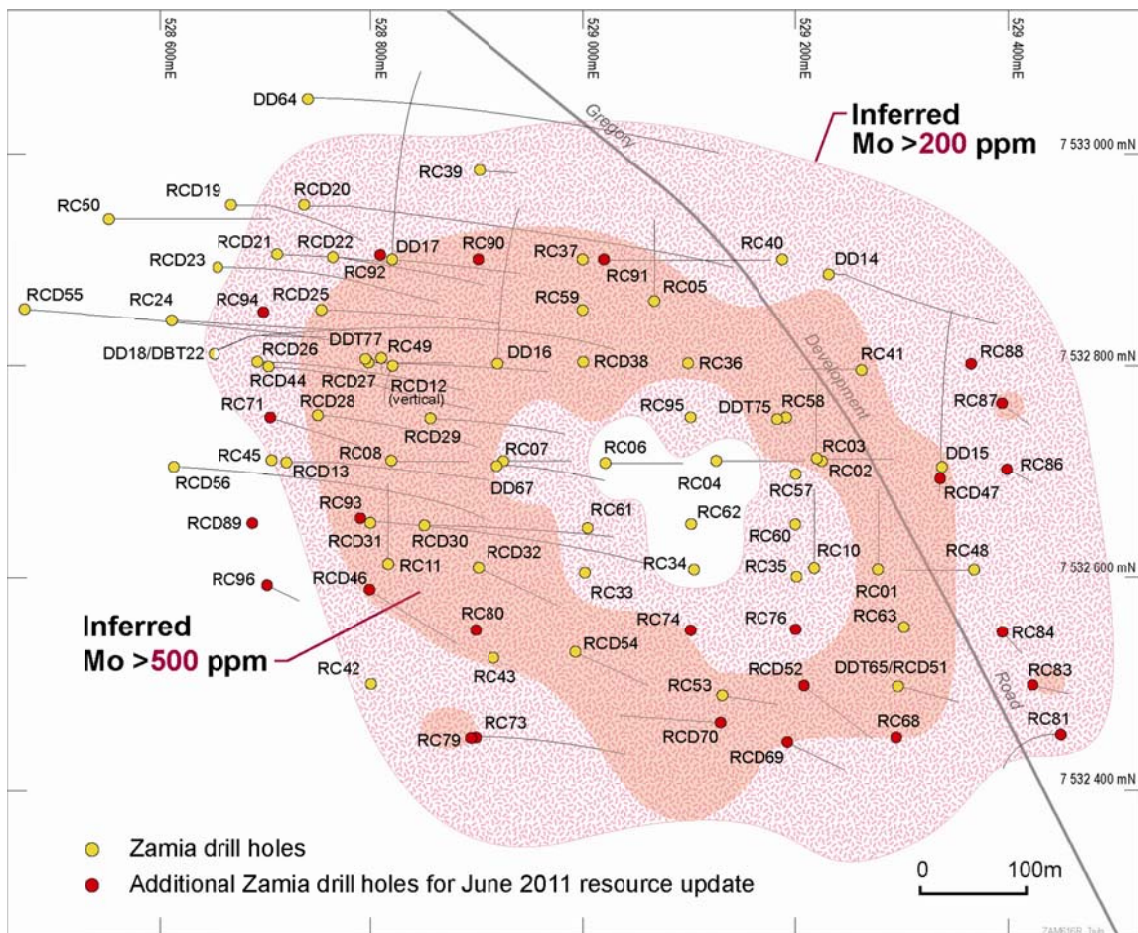


Figure 1: Drill hole location map showing new drill holes (red dots) included in this resource update together with 500 ppm and 200 ppm Mo cut-off resource outlines identified by H&S

H&S estimates that approximately 70% to 80% of the Inferred Resource will eventually be reported as Indicated and Measured Resources on the assumption that an assessment of criteria such as QA/QC, sampling and surveying yields no concerns.

Resource Potential

The Anthony resource is not yet fully delineated. H&S identified that, within the preliminary pit shell, there is potential for an additional 20 – 30 Mt at 400 - 450 ppm Mo at a 300 ppm Mo cut-off grade, plus additional potential outside the preliminary pit shell.

To date, there has been limited deeper drilling to contribute to the size and grade of the resource. A new drilling programme involving diamond tail extensions of existing RC holes (below 250m) has just begun at Anthony. The initial 15 holes will target depth extensions of the resource.

It is expected that, with this further deeper diamond drilling and planned RC drilling, the resource will continue to expand.

Resource Sections

Following the latest resource update, revised drill sections have been developed by H&S. These show current drill density and depth within the indicative resource shells as well as locations of planned diamond tails on those sections. Two of these sections are shown in Figures 2 and 3 below. Further east – west sections are attached as Figures 4, 5 and 6 at the end of this document.

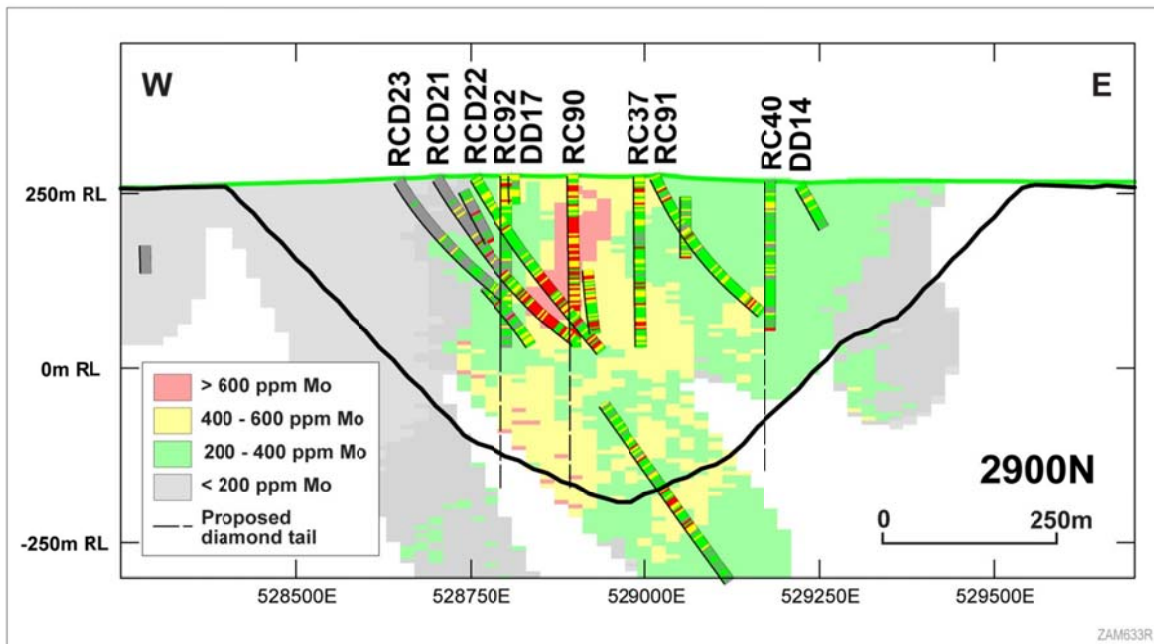


Figure 2. East – west section for 7 532 900N showing assays as well as a preliminary resource reporting pit shell based on drilling up to December 2010. The figure also shows proposed diamond tails to test depth extensions (see RC40, RC90 and RC92)

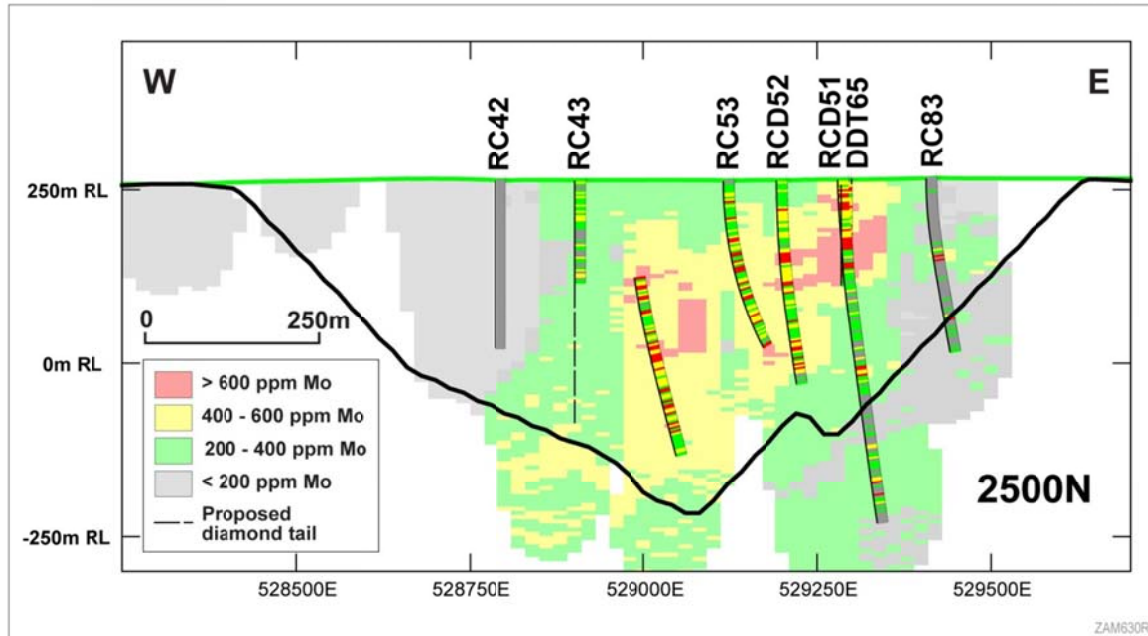


Figure 3. East – west section for 7 532 500N showing assays as well as a preliminary resource reporting pit shell based on drilling up to December 2010. The figure also shows resources outside resource shell (see RCD51) as well as a proposed diamond tail to test depth extensions (see RC43)

Company Strategy

Zamia is currently pursuing a two-track strategy:

- (a) To move the Anthony project towards feasibility.
- (b) To establish other resources on the Company's large tenement portfolio in the Clermont district. Zamia's field team has identified at least 15 targets for gold, copper and molybdenum, several with known mineralisation. Testing of priority targets by sampling and drilling is soon to commence.

Ken Maiden
Executive Chairman

Additional Resource Sections

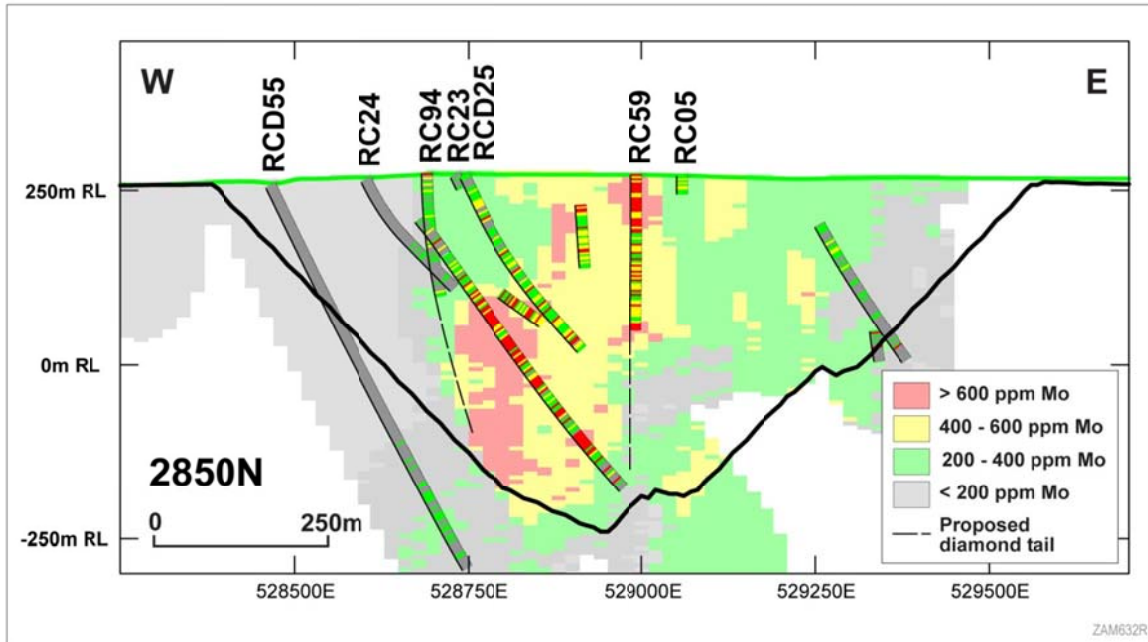


Figure 4: East-west section at 7 532 850N showing diamond tails planned for holes RC59 and RC94

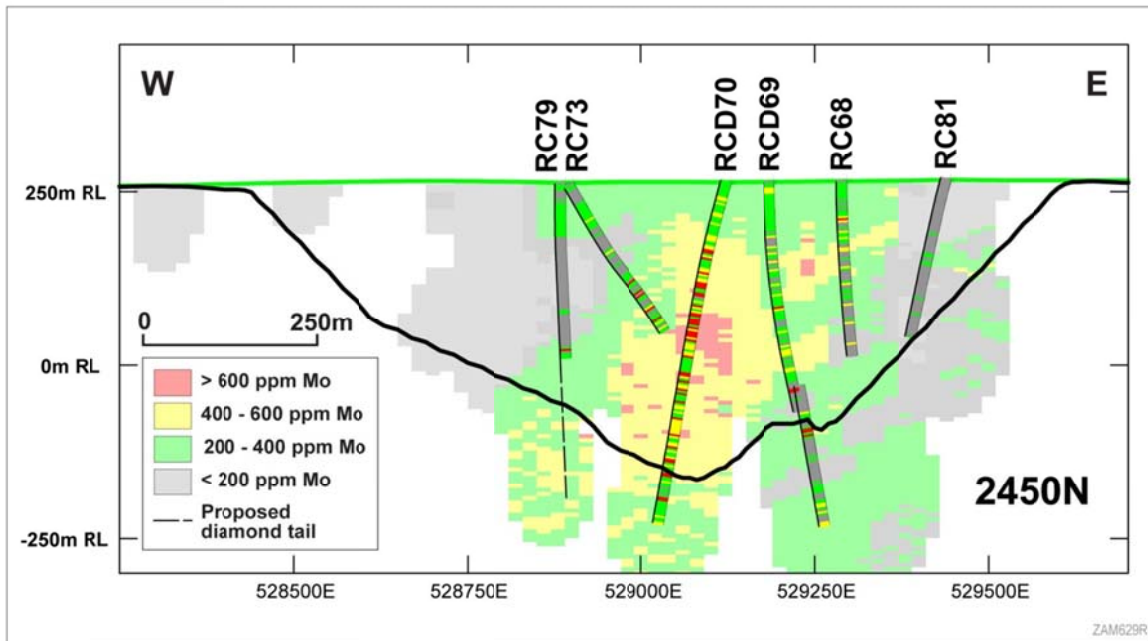


Figure 5. East-west section at 7 532 450N showing diamond tail planned for hole RC79

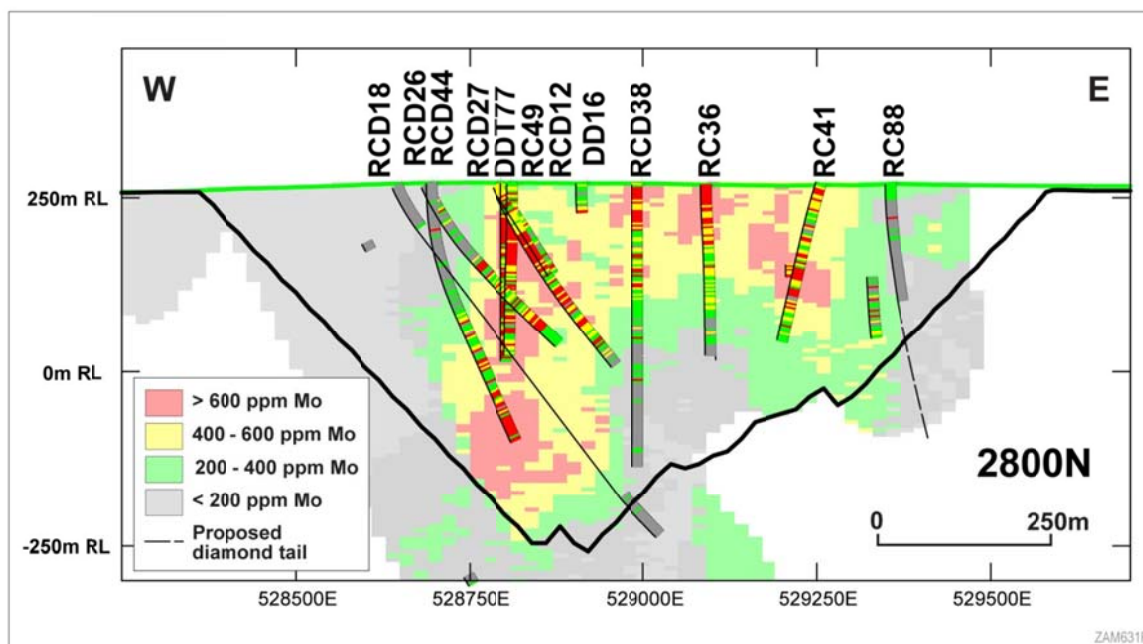


Figure 6. East-west section at 7 532 800N. A diamond tail is proposed for hole RC88.

About Zamia (ASX: ZGM)

Zamia listed on the ASX in January 2007, and holds a portfolio of Exploration Permits for Minerals in the Clermont district of central Queensland. In 2008, Zamia discovered the Anthony molybdenum deposit by drilling on a soil geochemical target. Diamond drilling confirmed the presence of a large porphyry-style deposit. After a delay of almost 12 months caused by the global financial crisis, evaluation of the Anthony deposit re-commenced in late 2009. Zamia remains focussed on the Clermont district. As a result of the Anthony discovery, Zamia has identified other targets with potential for molybdenum, gold and possibly copper.

About Molybdenum

Molybdenum, a metal with an extremely high melting point, is widely used in the steel industry as it improves the strength of steels at high temperature as well as strength to weight ratios and corrosion resistance. It also has uses as a catalyst in petroleum refining, in the production of electrodes and filaments, as a high temperature lubricant and as a fertiliser.

Global demand for molybdenum has been predicted to grow at 4 - 5% per year over the next twenty years. Molybdenum is currently trading at around US\$17 /lb (US\$37,000 /tonne). Industry experts forecast prices rising higher over the next few years. (Roskill Molybdenum Report 2010)

For further information on Zamia and molybdenum, visit the website www.zamia.com.au

Competent Persons

Dr Ken Maiden, MAIG FAusIMM, Executive Chairman of Zamia Metals Limited, compiled the geological technical aspects of this announcement. He has sufficient experience to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality and "reasonable expectation" assumptions relating to cut-off grades and resource potential.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Phillip Hellman. Dr Hellman, FAIG, is a Director of Hellman & Schofield Pty Ltd ('H&S') and qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates in the form and context in which they appear and takes responsibility for resource estimation. Ordinary Kriging into blocks with dimensions 20 x 20 x 6 metres was used with a maximum search of 90 x 90 x 60 metres and a minimum number of 10 3m composites to estimate Inferred Resources. A more restricted search of 60 x 60 x 40 metres (10 to 32 data points) was used to estimate blocks that are likely to be categorised as Measured and Indicated assuming that an assessment of classification criteria such as QA/QC, sampling and survey accuracy is satisfactory. A check estimate was undertaken using different software with results for grade within approximately 1% of those reported here. The reporting shell is based on a Mo price assumption of \$30/lb. The responsibilities for the quality and completeness of data that underpins the resource estimation work is taken by Zamia.