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26 October 2016
ASX Limited
Centralised Company Announcements Office
Exchange Centre 20 Bridge Street
Sydney NSW 2000

ZAMIA METALS LIMITED: QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

OCCUPATIONAL HEALTH AND SAFETY

There were no lost-time or injury incidents during the Quarter.

CORPORATE ACTIVITIES

As previously reported, Zamia Metals Limited ('Zamia') has been in discussions on an acquisition. Subsequent to the reporting date, the Company announced that it has entered into a binding share sale and purchase agreement (subject to conditions) in respect of the acquisition of all of the issued capital in Kirkham International Pte Limited ('Kirkham'), a Singapore-registered company. Kirkham owns 95% of PT Borneo Coal Indonesia, an Indonesian company which holds a mining permit for a coking coal project in Central Kalimantan, Indonesia.

Zamia has also raised \$250,000 in a debt facility, which will be converted into ordinary shares (subject to various conditions) that will provide working capital to be used primarily to meet costs related to the transaction with Kirkham.

The transaction is subject to a number of conditions precedent being satisfied or waived including:

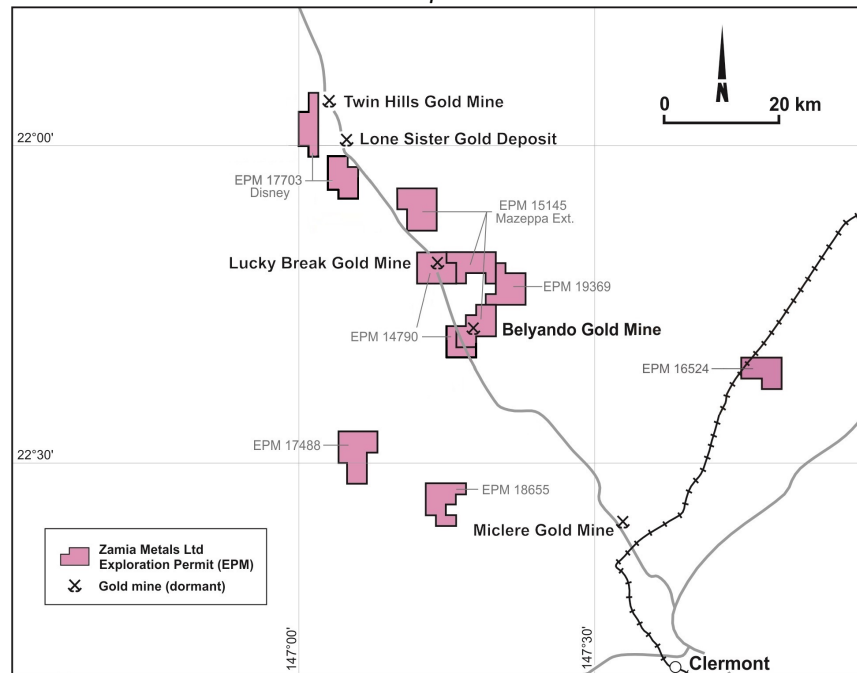
- Zamia shareholder approval as required by the Corporations Act and ASX Listing Rules;
- Successful completion of the Capital Raising;
- Re-compliance with Chapters 1 & 2 of the ASX Listing Rules;
- Due diligence by Zamia on Kirkham and by Kirkham on Zamia;
- The key management of Kirkham agreeing to executive contracts with Zamia;
- Conversion of Director/Officers and shareholder loans to equity; and
- Other conditions precedent customary in a transaction of this nature.

For further details, please refer to Zamia's announcement of 10th October 2016.

EXPLORATION TENEMENTS

Tenement No	Project Name	Grant Date	Expiry Date	Status at 30.09.2016	Area km ² at 30.09.2016
EPM 14790	Mazeppa	12.01.2006	11.01.2021	Year 11	39
EPM 15145	Mazeppa Extended	11.08.2006	10.08.2017	Year 11	112
EPM 17488	Mistake Creek	05.11.2009	04.11.2017	Year 7	47
EPM 16524	Logan Creek	23.12.2010	22.12.2020	Year 6	21
EPM 17703	Disney	30.01.2012	29.01.2017	Year 5	60
EPM 19369	Amaroo South	30.01.2012	29.01.2017	Year 5	34
EPM 18655	Dingo Range	29.05.2013	28.05.2019	Year 3	34
TOTAL AREA					347

Exploration permits held by Zamia Resources Pty Ltd, a controlled Entity of Zamia Metals Limited, as at end-September 2016



Exploration Permits held by Zamia Resources as at end-September 2016

EXPLORATION ACTIVITIES

Belyando Gold Project

Planning and preparation for field activities continued during the quarter, in particular:

1. A heap of previously-mined gold-bearing material is situated adjacent to the old mine. Previous estimates of tonnage and grade of the heap do not accord with the JORC resource guidelines so cannot be reported. Wirralie Mines extracted around 1,000 oz gold from a cyanide heap leach program during the period 2006 – 07, but this is likely to have been only a small proportion of the contained gold. Zamia is preparing for a scoping study to investigate the commercial viability of a small operation based on re-crushing and cyanide leaching of the previously-mined material.
2. The priority exploration targets are the down-plunge extensions of the known gold lodes that were mined in the previous open-cut operation (1989 – 1995). Zamia plans a gradient array I.P. survey covering a larger area than the previous (1986) survey and capable of penetrating to greater depth. This will be followed by drilling to test targets.
3. More broadly, there is potential for (a) undiscovered lodes lateral to and along strike from the known lodes; (b) a broad zone of low grade gold (0.8 – 1.0 g/t Au) associated with a 1986 I.P. chargeability anomaly extending away from known gold concentrations; and (c) satellite gold deposits. Zamia plans a helicopter magnetic survey over Belyando and extending several kilometres beyond.

Porphyry Copper-Gold Targets

Zamia is seeking a potential joint venture partner to fund follow-up exploration on priority identified targets.



Dr Ken Maiden

Director, Zamia Metals Limited

Competent Person Statement

Dr Ken Maiden, MAIG FAusIMM, a Director of Zamia Metals Limited, compiled the geological technical aspects of this report. He has sufficient experience to qualify as a Competent Person as defined in the 2012 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.