



ASX:ZGM

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Centralised Company Announcements Office
ASX Limited
Exchange Centre
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ANTHONY MOLYBDENUM PROJECT:

SIGNIFICANT RESOURCE INCREASE TO 130 MILLION TONNES

- **Updated independent resource estimates prepared by Hellman & Schofield Pty Ltd (H&S) for 54 holes completed on Anthony project**
- **Molybdenum (Mo) resource increased by 60% in primary sulphide zone following completion of latest 23 holes**
- **Updated resource estimate is 130 million tonnes (Mt) at 0.04% (400 ppm) Mo at a cut-off grade of 0.02% (200 ppm) Mo in primary sulphide zone**
- **Resource includes 30 Mt at 0.063% (630 ppm) Mo, including 15 Mt at 0.073% (730 ppm) Mo at higher cut-off grades**
- **Additional 62 Mt of oxide and mixed sulphide-oxide material at 0.02% (200 ppm) Mo cut-off grade**
- **Resource remains open at depth and to the southeast. Diamond drilling of deeper holes underneath the existing western high grade zone has commenced**

Updated Resource Estimates

As announced on 6 September 2010, assays have been received for all of the 23 reverse circulation (RC) holes in the recent drilling programme at Zamia's Anthony molybdenum discovery in the Clermont district of central Queensland.

Based on all 54 completed drill results for Anthony, independent resource consultants, Hellman & Schofield Pty Ltd (H&S), have produced an updated resource estimate for the Anthony deposit reported in accordance with the JORC (Joint Ore Reserves Committee) Code and Guidelines.

This new estimate increases the initial Inferred Resource from 81 Mt (announced on 6 April 2010) to 130 Mt at a 0.02% (200 ppm) Mo cut-off grade. The updated resource estimates for the main sulphide zone, near-surface oxide zone and the transition between the two zones are summarised in Table 1.

Table 1: Summary of updated Inferred Resource estimates by H&S (September 2010)

Cut-off grade ppm Mo	Sulphide molybdenum		Oxide molybdenum		Transition: mixed oxide/sulphide molybdenum		Total	
	Million tonnes	Average grade ppm Mo	Million tonnes	Average grade ppm Mo	Million tonnes	Average grade ppm Mo	Million tonnes	Average grade ppm Mo
200	130	400	48	400	15	420	190	400
400	60	550	20	520	7	540	80	540
500	30	630	9	600	4	620	40	630
600	15	730	4	680	2	720	20	720

Note: Significant figures in Table 1 have been rounded and round-off errors may result

Table 1 shows that, based on drilling to date, Anthony contains high grade sulphide zones of 15 million tonnes at over 700 ppm Mo within a large molybdenum deposit. As previously reported on 13 May 2010, initial tests suggest that lower grade material above 450 ppm Mo can be cheaply pre-concentrated to around 1000 ppm Mo. Further testing on this process is continuing.

As indicated in Figure 1, drilling has identified three high grade sulphide molybdenum zones (>700 ppm Mo) close to surface; these would most likely provide the focus for initial mining in any future operation.

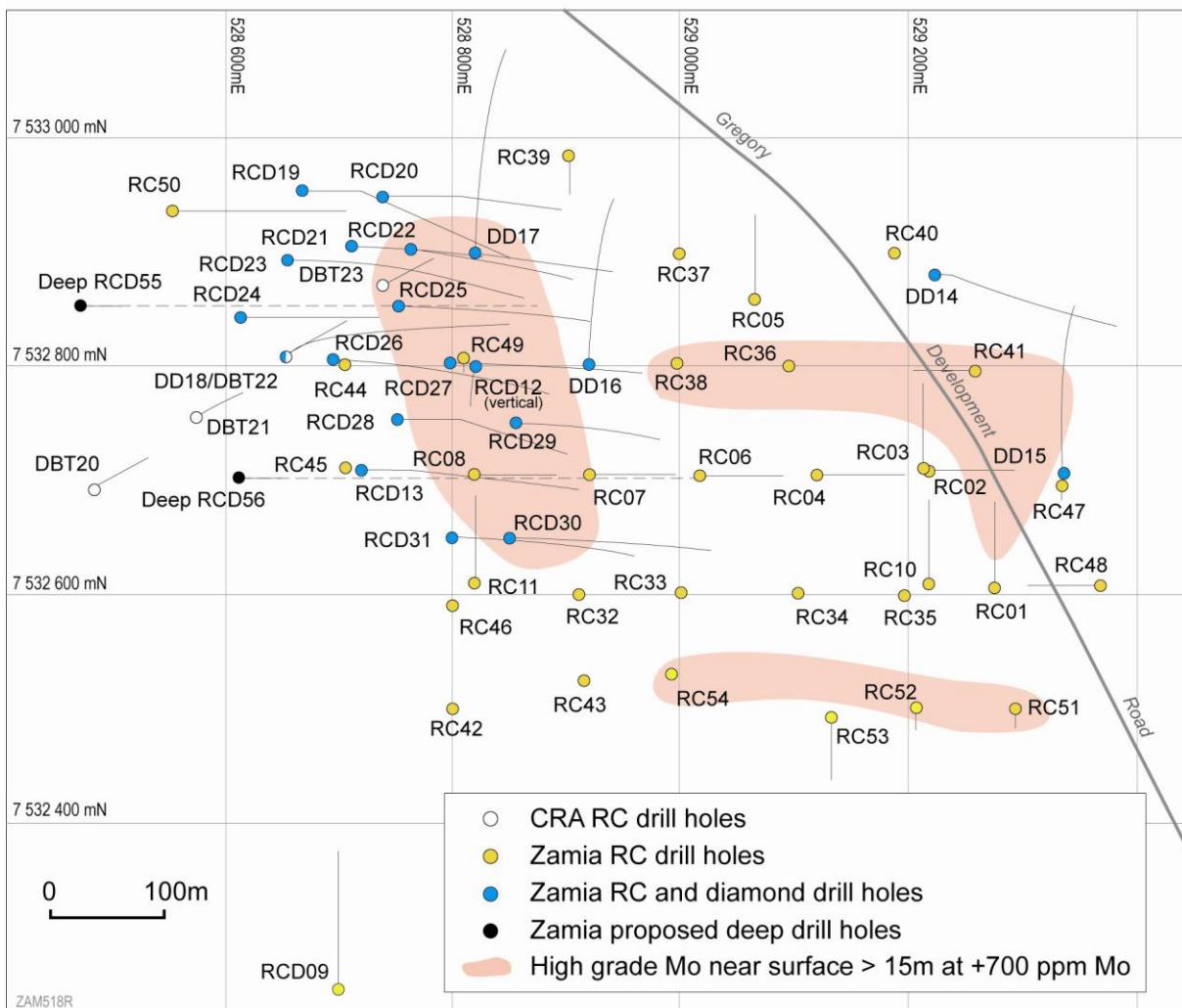


Figure 1: Drill hole locations and high grade Mo zones near surface

In addition to the sulphide Mo resource, there is a resource of 62 Mt of oxide and mixed oxide-sulphide material at 0.02% (200 ppm) Mo cut-off grade in a zone 60 – 80m thick from surface to the base of complete oxidation. This oxide molybdenum from surface could, potentially, become viable, particularly as this material will need to be removed prior to mining the underlying sulphide molybdenum. A metallurgical programme to investigate beneficiation and leaching options for this oxidised material at Anthony is continuing. Zamia notes that Climax Molybdenum successfully utilised an extraction process for oxidised molybdenum in the 1960s.

Resource Extension Drilling

Review of the updated geology and assay data indicates that the Mo resource remains open at depth and to the southeast. Deep diamond drilling is now underway on two sections testing the high-grade western zone (Figure 1). Further deep drilling is planned if these initial holes are successful.

To date, only relatively shallow drilling has been carried out. Of the 54 holes drilled, 10 holes have been drilled to a maximum vertical depth of only 130m and 33 holes to a maximum depth of between 180m and 280m. As indicated in Table 2, 28 holes assayed greater than 200 ppm Mo at the bottom of the hole. These results support the potential for molybdenum concentrations to extend below the current drilling depths.

Further RC drilling is also being planned to both in-fill the existing resource and to test the extension of the resource to the southeast beyond the newly-discovered high grade mineralisation.

Table 2: Drill holes with greater than 200 ppm Mo at the bottom of the hole

Hole number	Depth of hole (m)	Mo assay (ppm) at bottom of hole 2m assay intervals for RCD or DD holes; 3m for RC holes
RC01	150	318
RC02	150	597
RC03	150	871
RC08	144	424
RC10	150	276
RC11	150	921
RCD12	322	368
DD16	301	638
DD18	352	720
RCD19	312	331
RCD20	300	256
RCD21	307	325
RCD22	307	214
RCD23	300	297
RCD25	300	239
RCD31	300	680 (average - bottom 6m)
RCD32	180	759
RCD37	246	288
RCD40	213	604
RCD41	234	370
RCD43	237	438
RCD44	246	460
RCD47	234	673
RCD48	234	279
RCD49	258	367
RCD52	210	302
RCD53	252	1435
RCD54	216	475

Future Programme

Following this resource estimate upgrade, Zamia plans the following programme during the remainder of 2010:

- Continue to drill two deep diamond holes to test for depth extensions of the Anthony resource (Holes RCD55 & RCD56).
- Based on assessment of all information, carry out additional deep diamond drilling and further drilling of the wider area around Anthony.
- Update the resource estimate based on the deep diamond holes.
- Continue with metallurgical testwork and other elements of a scoping study for a molybdenum mining and processing operation based on the Anthony resource.
- Drill shallow gold targets at the Frankfield Hill and West Lucky Break prospects in the Company's Mazeppa tenement (EPM 14790).
- Drill a gold and platinum group element ('PGE') target in the Company's Mount Rolfe tenement (EPM 14792).
- Continue geological mapping and soil geochemical surveys in other tenements to define targets for drill testing.

A handwritten signature in black ink, appearing to read 'K. Maiden', with a large loop at the end of the signature.

Ken Maiden
Executive Chairman

Hellman & Schofield Resource Estimation Notes

A block model with dimensions of 20m x 20m x 6m was constructed and the base of complete oxidation and the base of partial oxidation were modelled from drill hole digital data. The average surface elevation is 321m, the base of complete oxidation is at 254m and the base of transition is at 243m resulting in an average oxidation thickness of 67m and an average transition thickness of 11m. Densities were assigned on advice from Zamia. Completely oxidised material is assigned a density of 2.3, transition a density of 2.4 and fresh material 2.6.

The mineralisation appears to have a diffuse contact with the country rock (Anakie Metamorphics). Due to the preliminary nature of this work, a detailed geological model was not constructed though with the "soft boundary" nature of the mineralisation contact it is likely that the imposition of hard boundaries will be inappropriate unless barren intrusive phases or faults are identified. Several grade models were constructed. Two different softwares were used and the results plotted on sections in juxtaposition with the data. The results for Mo grades are virtually identical for the two outcomes. At cut-off grades from 100 to 500 ppm Mo the average difference between the two sets of results is approximately 2%.

The searches for both these outcomes were conducted in three passes: 60m x 60m x 40m to 120m x 120m x 80m with maximum and minimum data of 32 and 10 to 32 and 6. Passes 1 & 2 are classified as Inferred Resources and Pass 3 as potential which does not qualify as a resource estimate but rather as Exploration Results and are not reported. A dip of 60 degrees to the west was assigned to the search.

Due to the preliminary nature of this work a confidence category of Inferred is appropriate.

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.

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

Competent Persons

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.

Dr Ken Maiden, MAIG FAusIMM, Executive Chairman of Zamia Metals Limited, compiled the 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.