



QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2005

HIGHLIGHTS

The development of Jabiru Metals Limited's Jaguar Project is close to fruition, at a time when both copper and zinc prices are continuing to improve.

- Snowden due diligence completed for banks.
- Improved results from updated feasibility.
- Conditional statutory approvals received.
- Integration of historical Teutonic Bore data highlights exploration potential.

JAGUAR FEASIBILITY

Three banks have submitted indicative term sheets to Jabiru Metals Limited (Jabiru) for debt funding of the Jaguar Project based upon due diligence of the feasibility study conducted by Snowden Group (Snowden). The Snowden review, together with reoptimisation of the Project by Jabiru, demonstrated the potential for improvement of the feasibility study results by fine tuning a number of the elements of the study.

The optimisation study reviewed the ore resource model, mine plan and reserve estimate, capital and operating costs, production schedules, concentrate off-take agreement and other updates which have subsequently been incorporated into Jabiru's cash flow model prior to obtaining final project finance.

Changes resulting from the optimisation study include the following:

- The ore density model was modified to reflect data not previously incorporated into the density model. This resulted in a small increase in the resource grade and a small reduction in the resource tonnage, providing an increase in copper and zinc metal tonnes.
- A redesign of both the location and dimensions of level ore development and stopes to better match the known geometry of the ore body model has reduced both the quantity of development and overall dilution.
- The above has resulted in a re-estimation of both the Mineral Resource and the Ore Reserve, (see Tables 1 and 2 below).
- A change to the underground materials handling method from the use of an underground crusher and conveying system to conventional truck haulage will reduce up front capital costs related to the crusher/conveyor installation, improve operational flexibility and remove a degree of technical risk while maintaining the conveyor option for deeper ore.
- A combination of an underground owner mining strategy (versus the use of a contract miner) will decrease costs and improve mining fleet flexibility.
- The above changes have allowed a rescheduling of mine development which has rebalanced ore production from the underground mine from the initial BFS, improving cash flow.
- Capital costs related to the processing plant construction have been revisited and re-estimated based upon improved knowledge of elements of the process design and market factors related to the supply of equipment, consumables and skilled personnel.
- The concentrate offtake agreement with Newmont Golden Grove Operations Pty Limited (Newmont) will provide lower offsite costs for the Project.
- A combination of the above factors has enhanced the overall Project economics and reduced total Project risk.

Project Financial Performance

As a result of the optimisation study changes, the key financial data for the Jaguar Project has improved in a number of ways. The Project cash flow after capital has improved to A\$79m and C1 copper cash cost (after credits) is US\$-15/lb, NPV of A\$43.0m and IRR of 39%. Project capital is A\$55.0m before leasing options are included.

The revised Project financial model includes a current revision of capital, construction, personnel and operating costs in order to ensure that the study includes allowances for recent cost escalations.

The three banks which are interested in funding the Project have now presented revised funding proposals which are currently being reviewed by Jabiru.

Note on Pricing:

All financial results and metal values in this report are based upon the following metal prices:

Copper US\$1.20/lb

Zinc US\$0.55/lb

Silver US\$7.20/lb

A\$/US\$ \$0.70

RESOURCES AND RESERVES

A review of resources and changes to the mining reserve has resulted in the following updated Tables:

TABLE 1 - Comparison of the February 2005 and the July 2005 Mineral Resource Estimates

	Tonnes	Cu eq %	Cu %	Zn %	Pb %	Ag g/t	Cu Metal Tonnes	Zn Metal Tonnes
February 2005 Mineral Resource								
Measured	-	-	-	-	-	-	-	-
Indicated	1,586,518	10.30	3.32	12.80	0.78	131.66	52,672	203,074
Inferred	24,509	9.13	5.19	7.14	0.18	78.59	1,272	1,750
Total Mineral Resource	1,611,027	10.28	3.35	12.71	0.78	130.85	53,944	204,824
July 2005 Resource								
Measured	-	-	-	-	-	-	-	-
Indicated	1,596,801	10.37	3.36	12.86	0.79	132.30	53,652	205,349
Inferred	23,066	9.46	5.33	7.50	0.20	81.61	1,229	1,730
Total Mineral Resource	1,619,867	10.36	3.39	12.78	0.78	131.58	54,881	207,079

TABLE 2 - Comparison of the April 2005 and the July 2005 Ore Reserve Estimates

	Tonnes	Cu eq %	Cu %	Zn %	Pb %	Ag g/t	Cu Metal Tonnes	Zn Metal Tonnes
April 2005 Reserve								
Proven	-	-	-	-	-	-	-	-
Probable	1,617,304	9.07	2.92%	11.30%	0.69%	115 g/t	47,225	182,755
Total Reserve	1,617,304	9.07	2.92%	11.30%	0.69%	115 g/t	47,225	182,755
July 2005 Reserve								
Proven	-	-	-	-	-	-	-	-
Probable	1,602,049	9.46	3.07%	11.73%	0.72%	120 g/t	49,209	187,865
Total Reserve	1,602,049	9.46	3.07%	11.73%	0.72%	120 g/t	49,209	187,865
Variance	-1 %		5%	4%	4%	4%	4.2%	2.8%

Newmont Concentrate Offtake Agreement

The concentrate offtake agreement with Newmont was signed before the Golden Grove operation was sold by Newmont to Oxiana Limited (Oxiana). Oxiana has subsequently advised that they are planning for the assignment of all contracts, including the concentrate offtake.

The concentrate offtake agreement is beneficial to both operations, providing a reduction of both zinc and copper concentrate penalties for both companies, together with shared facility and shipping cost advantages. The additional concentrate tonnages also provide greater concentrate marketing strength and flexibility in negotiating with the smelters and traders.

Metallurgy

No changes have been made to the metallurgy, recoveries or concentrate specifications presented in the feasibility study. The external review process has provided Jabiru with confidence that the design metallurgical parameters are well based and achievable.

Mining

A review and optimisation of the mine design has been conducted by Jabiru and reviewed by Snowden. The study has identified and quantified a number of improvements to the overall project economics.

The following key changes to the project design and reserve estimate have been made:

- The proposed underground crushing and conveying system has been removed from underground and the crusher will initially be located on the surface. This has reduced the upfront development mining and capital costs while providing earlier ore production.
- The relocation of the crusher/conveyor has allowed a reduction in the main decline size from 5.5m high x 6.5m wide to 5.5m high x 5.5m wide. This has reduced decline costs for the first 12 months.
- Further geotechnical and financial analysis of the boxcut has indicated that a smaller (shallower) boxcut is feasible. This has marginally reduced the boxcut size and associated pre-development costs.
- Underground level spacing has been increased in the wider (8-12 metres) sections of the orebody. This has reduced the amount of level development.
- Ore development widths have been reduced to 4 metres in the upper areas and 3.5 metres in the lower narrower areas (from 4.5 metres throughout), including equipment re-sizing, to better match the true width of the known orebody. This has resulted in a significant reduction in development dilution (see Tables 1 and 2).
- Level development (ore drives) locations and stope designs have been optimised to better reflect the orebody geometry. This has more precisely estimated stope tonnes and dilution.
- Minimum stoping widths were increased from 1 metre to 1.5 metres. This has provided a more realistic view of the economics of mining the narrow extremities of the orebody. As a result of this, a small area of the lower orebody has been removed from the ore reserve.
- Stope design outlines were altered to more closely approximate the massive sulphide boundaries. To this was added a more formal 250mm dilution envelope on both the hanging wall and footwall. This has more realistically modelled the likely unplanned stope dilution.
- Further geotechnical modelling of the ground conditions and the stoping program has been carried out. This has provided more detailed information on the reaction of the rock mass upon stope extraction. This data confirms that the planned stoping methodology and sequencing is appropriate for the expected ground conditions.
- An owner mining study has confirmed that significant cost savings will be generated against a contract mining model. Additional benefits include increased flexibility of the mining fleet and personnel with owner mining and the removal of contractual risk and penalty payments.
- The new mining schedule is extremely robust and provides a real opportunity to increase the production of the operation and hence financial benefit to Jabiru.

The following statutory (approval) milestones have been reached:

- Approval of the Notice of Intent subject to lodgement of environmental bonds.
- Approval of the Stage 1 Project Management Plan.
- Approval of the permit for clearance of land.

Jaguar Project Treatment Plant

Preliminary refurbishment work has begun on the ex-Cadjebut plant (now completely relocated to Jaguar). Component overhaul work will not begin until Project funding is received.

The feasibility review updated all capital construction costs for refurbishing and reconstructing the Jaguar plant as well as the additional capital items required.

EXPLORATION

Teutonic Bore Exploration Project (Jabiru 100%)

The Teutonic Bore Exploration Project (TBEP) covers 20 kilometres strike of highly prospective intercalated mafic-felsic volcanic-metasediment greenstone terrane that locally hosts the Teutonic Bore and Jaguar volcanogenic massive sulphide deposits. The greenstone terrane in the Teutonic Bore region hosts major gold deposits such as Tarmoola to the south, Thunderbox to the north and Bronzewing, Mt McClure and Darlot deposits which lie within the Yandal Greenstone Belt. Ultramafic rocks within the terrane also host nickel sulphide mineralisation at LionOre Australia Pty Ltd's Amorac and Waterloo Prospects.

An intensive exploration program commenced in mid-February 2005 and was ongoing during the quarter, comprising diamond core and RC drilling and downhole EM surveys. Exploration has to date focused on Cu-Zn-Ag targets with the aim of adding significant mine life to the Jaguar Project.

Jaguar Deposit

Diamond core and RC drilling at Jaguar during the June 2005 quarter targeted the up-dip, and down-plunge and cross-strike extensions of the Jaguar massive sulphide ore body. Drillhole intercepts for significant results achieved during the quarter are shown in **Table 3** below.

TABLE 3 – Significant Assay Results Jaguar Diamond Drilling Program								
Hole No	From	To	Width*	Cu %	Zn %	Pb %	Ag g/t	Au g/t
05TBDD009	482.00	484.17	2.17m	1.36	1.09	0.08	22	<0.01
includes	483.48	484.17	0.69m	3.25	1.73	0.02	40	<0.01

Note: * refers to downhole width

The intercept in 05TBDD009 was encountered east of the footwall gabbro unit, supporting the interpretation that mineralisation of the Jaguar massive sulphide lens may have been wedged apart by post-mineralisation mafic sills and displaced eastwards.

Drilling of the 'Warrambo Gossan' area approximately 400 metres east of Jaguar encountered intense hydrothermal alteration and low level mineralisation, features considered to be consistent with the interpretation that this is part of the hydrothermal feeder zone to the Jaguar massive sulphide lens. An interval within a post-massive sulphide mineralisation gabbroic sill hosting a mesothermal quartz vein associated with a pink K-feldspar alteration halo returned 1m @ 1.4g/t Au from 354m in hole 05TBDD011.

Daimler Prospect

RC drilling was completed as a follow-up to a significant base metal intercept reported last quarter. Drillhole intercepts for significant results achieved during the quarter are shown in **Table 4** below.

TABLE 4 - Significant Assay Results Daimler RC Drilling Program								
Hole No	From	To	Width*	Cu %	Zn %	Pb %	Ag g/t	Au g/t
05TBRC006	42	99	47m	0.72	0.33	<0.01	11.2	<0.01
includes	90	99	9m	1.42	0.14	<0.01	22.7	<0.01
	135	141	6m	0.55	0.66	<0.01	5.5	<0.01
05TBRC007	159	201	42m	0.32	3.09	0.03	17.0	<0.01
includes	186	198	12m	0.45	6.33	0.04	17.0	<0.01

Note: * refers to downhole width

Drillhole 05TBRC006 intersected disseminated and stringer-style mineralisation up-dip from hole 05TBRC005 which included 30m @ 2.0% Cu, 0.3% Zn and 14.5g/t Ag (reported last quarter). Sulphide mineralisation occurs to within 40 metres of the surface. Drillhole 05TBRC007 intersected disseminated and stringer-style mineralisation that comprises the down-dip extension of the same mineralisation which remains open at depth.

Two fences of RC drilling located 80 metres along strike to the south and 180 metres to the north of the initial Daimler mineralised intercept did not intersect significant mineralisation, however the drilling coverage is not considered to have fully tested the strike extent of the Daimler mineralisation and further work is required.

Regional Review

A comprehensive compilation and detailed review of 30 years of exploration data commenced during the quarter with the aim of generating quality base metal and gold exploration targets for follow-up. This work has included the relocation and rehabilitation of the surface and underground diamond core library associated with the Teutonic Bore deposit, which will permit detailed evaluation of the potential for economic remnant resources and future exploration targets.

CORPORATE

\$1.25 Million Share Placement

The Company announced on 14 June 2005 that it had placed five million ordinary shares at 25 cents each to Consolidated Minerals Limited, to raise \$1.25 million to fund ongoing feasibility studies and working capital.

Change in Director's Role

On 4 July 2005 the Company announced that following Tanami Gold NL's sale of five million Jabiru shares to Consolidated Minerals Limited that Denis Waddell, previously Executive Chairman of Jabiru, had become Non-Executive Chairman.

GENERAL

Visit Jabiru's website at www.jabirumetals.com.au where up to date information on recent announcements and results of activities can be found.

For and on behalf of the Board



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Gary Comb
Managing Director

29 July 2005

Note:

This information, so far as it pertains to exploration results is based on and accurately reflects, information compiled by Neil Martin and Scott Donaldson and other members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, each of whom has had at least five years relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

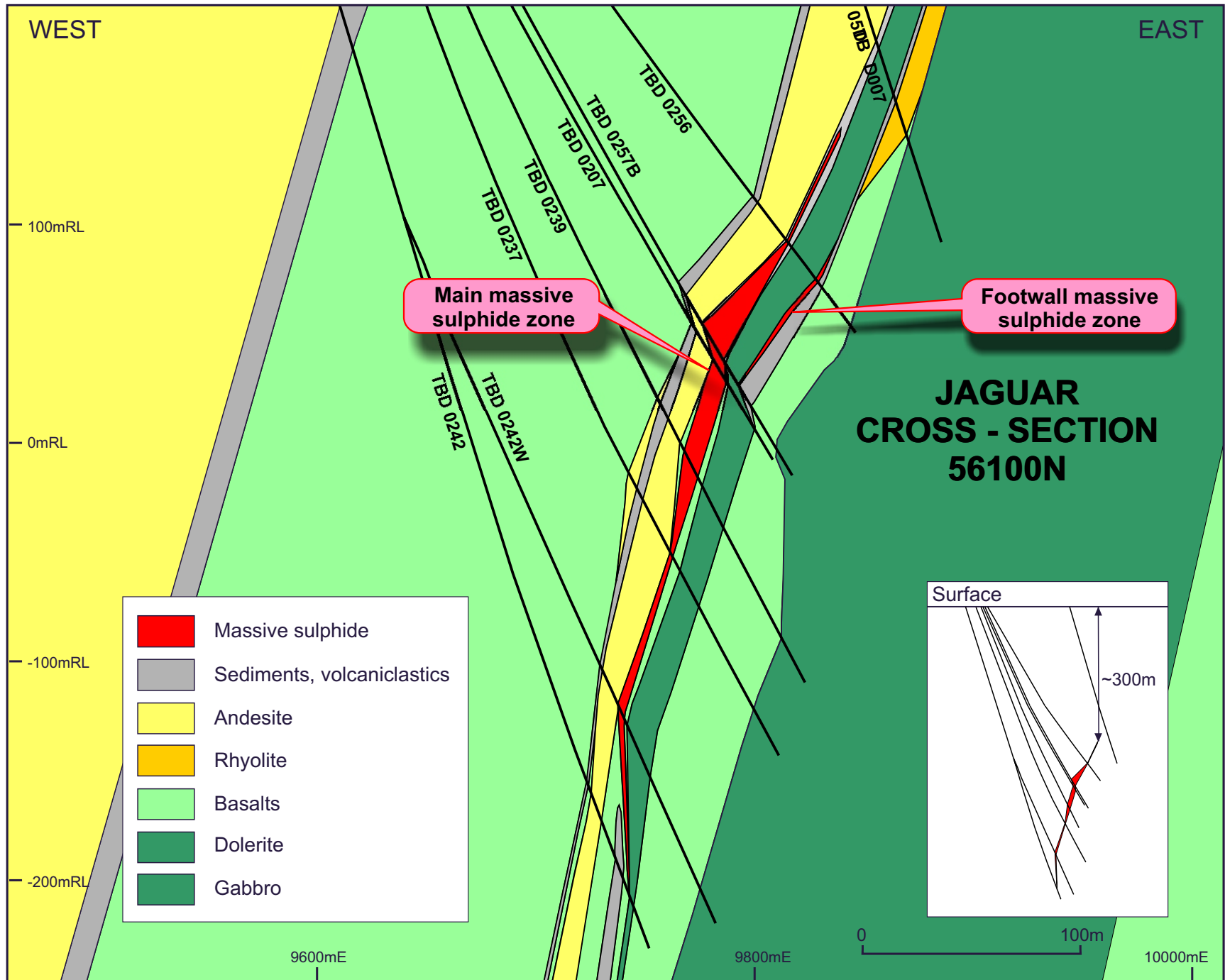


Figure 1

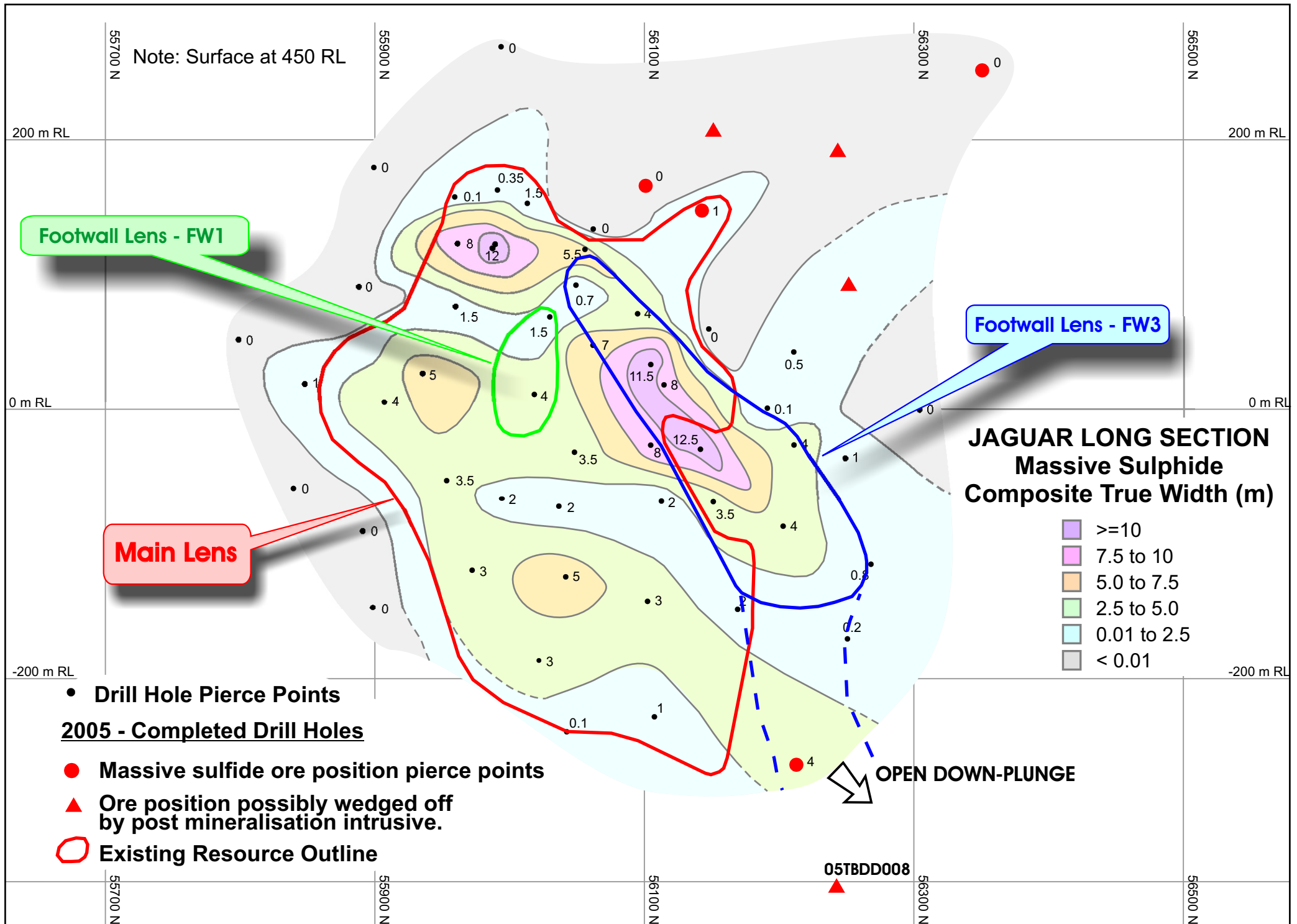


FIGURE 2