



**QUARTERLY ACTIVITY REPORT
FOR THE QUARTER ENDING 30 SEPTEMBER 2004**

HIGHLIGHTS

JAGUAR PROJECT

During the Quarter significant progress has been made on the Jaguar Project Bankable Feasibility Study (BFS) as indicated by the following:

- The 2004 (BFS) drill program has been highly successful, returning significant wide high-grade copper-zinc-silver intercepts of up to +13% copper equivalent grades.
- The drilling has also intercepted several zones of massive sulphide at 2 to 3 times the modelled (Pre-Feasibility) thickness. The Directors anticipate that this will lead to an increase in tonnage and grade over the initial resource estimate.
- The discovery of multiple Footwall Lenses below the Main Lens some of which may have been missed by earlier drill programs stopping short of the new target zone. The discovery of a footwall copper-rich stockwork/stringer zone which also has the potential to increase the total contained metal of the deposit
- On a worldwide basis the Jaguar deposit together with the previously mined Teutonic Bore deposit fall within the top 5% of volcanogenic massive sulphide deposits based on combined metal grades. The results of exploration by the Company's joint venture partner Inmet on the surrounding tenements provide significant potential for the discovery of further deposits.
- The recently acquired Cadjebut plant was disassembled and approximately 90% of the equipment was relocated to the Jaguar site in preparation for project development.
- All of the major components of the BFS have been completed or are nearing completion. The BFS is on track to be completed in December 2004. Negotiations with various financial institutions interested in financing the development of the Jaguar Project will be finalised following completion of the BFS.
- The Company anticipates that funding arrangements and concentrate off-take agreements should be completed in time for the decline development to commence during the second quarter of 2005. Following the commencement of mining, the construction and mine development schedule will require approximately 14 months to first metal production.

CORPORATE

During the quarter, the Company completed the placement of 30,000,000 shares at an issue price of \$0.17 per share to raise \$5.1 million.

The funds were raised to complete the Jaguar Project BFS and resource drilling program, for the relocation and refurbishment of the Cadjebut plant, for further exploration, and for working capital.

JAGUAR BANKABLE FEASIBILITY STUDY (JABIRU 100%)

RESOURCE AND METALLURGICAL DRILL PROGRAMS

During the September Quarter both infill and metallurgical drill programs were completed at the Jaguar Deposit with excellent results returned. Significant results from the 2003-2004 program which totalled 16 holes for 8977 metres are summarised below and in Table 1. Assays are awaited for hole TBD 220W.

The top of the Jaguar Cu-Zn-Ag volcanogenic massive sulphide (VMS) deposit lies approximately 300 metres below surface. As such, all drilling to evaluate the resource potential is carried out as angled diamond core holes varying from 450 to 750 metres deep.

The deposit comprises a Main Lens forming a relatively simple, steeply dipping tabular body of 5-10 metres thickness (see Figure 1), thinning to 1 metre at the edges of the deposit. A number of discrete (1 to 5 metre thick) tabular Footwall Lenses have also been intersected below (east of) the Main Lens. In addition, recent drilling has intersected a copper-rich stockwork/stringer zone which is interpreted as a classic feeder pipe to the VMS deposit.

The drill program has returned excellent results with the resource now at **approximately +85% in the indicated category**. The internal thickness of the orebody has been increased by infill drilling and by the metallurgical drilling. Extensions to the mineralised zone have also been achieved. Resource modelling is currently in progress to quantify the anticipated increased tonnage of the deposit.

A schematic long section (Figure 2) shows the drill hole locations as pierce points. The majority of results come from Main Lens intersections.

Table 1: Assay Results, Jaguar Diamond Drilling Program

Hole No.	From	To	Width	Cu	Zn	Pb	Ag	Cu% Equivalent	
	m	m	* m	%	%	%	g/t		
TBD 241	552.33	556.00	3.67	7.36	10.95	0.82	233	13.2	
TBD 242	706.19	707.35	1.16	0.61	5.82	0.79	88	3.6	
TBD 242W	620.56	627.52	6.94	4.08	6.49	0.71	116	7.5	
TBD 243	579.03	584.35	5.32	4.36	7.49	0.85	144	8.3	
TBD 244	547.24	548.25	1.01	0.07	1.34	0.14	9	0.7	
TBD 245	477.61	479.44	1.83	0.04	3.28	0.93	229	3.5	
TBD 247	601.57	603.52	1.95	2.85	8.21	0.83	157	7.2	
TBD 252	333.21	358.87	25.66	2.10	19.40	0.55	111	10.0	
TBD 252W	331.67	354.89	23.22	3.60	17.30	0.53	157	10.1	
TBD 253	429.37	431.03	1.66	2.41	14.10	0.26	85	8.2	
TBD 254A	411.00	417.60	6.60	5.54	10.51	0.81	190	10.9	
TBD 256	448.2	449.6	1.40	5.88	14.3	0.84	215	12.8	
	470.7	472.7	2.00#	0.29	14.2	0.20	19	5.5	
TBD 257B	464.59	483.25	18.66	5.09	18.80	0.41	125	13.6	
TBD 220W	700.65	704.20	3.55	Assays awaited					

Note: * Core length

Footwall intersection

Cu% Equivalent - based on metal prices at 8 October 2004

Hole TBD 241 was drilled to confirm continuity in an area of limited prior drilling. The hole returned high-grade massive sulphide mineralisation in the Main Lens with copper and silver grades at nearly twice the average for the deposit.

Hole TBD 242 intersected 1.16 metres of massive sulphide mineralisation extending mineralisation a further 130 metres down dip on section 56100N. Drill hole TBD 242W, a wedge off TBD 242 intersected the Main Lens approximately 75 metres above TBD 242, in an area of limited prior drilling. The hole returned 7 metres of high-grade mineralisation. The intersection was a significant thickening of massive sulphides in an area previously contoured at 1 metre thickness within the prior inferred resource model.

Hole TBD 243 intersected 5.32 metres of high-grade massive sulphide mineralisation. The intersection extended a thickened zone of massive sulphides into this area of the deposit. This result will increase both the tonnage in this area and the resource category from inferred to indicated.

Hole TBD 245 was drilled to intersect the massive sulphide ore zone approximately 50 metres south of TBD 202, at the southern end of the deposit, in an area where no previous massive sulphides had been intersected. The hole returned mineralisation over 7.19 metres, including a semi massive sulphide zone over 3.56 metres extending the ore zone a further 50 metres south and adding further tonnes to the resource.

The results from hole **TBD 252** and the associated wedge hole **TBD 252W** were the best intersections reported for the deposit at that time. The holes were drilled to provide core for metallurgical testwork by cutting obliquely across the orebody so maximising the massive sulphide intercept. It was anticipated that the holes would intersect approximately 17 metres of massive sulphide and provide 200 kilograms of material for final metallurgical testwork. Significantly, the main hole intersected 25.66 metres of massive sulphides while the wedge intersected 23.22 metres. The estimated horizontal widths for the intersections are 11.30 metres and 10.30 metres respectively.

Hole TBD 254A was drilled in an area expected to be north of an interpreted offsetting fault and contain no mineralisation. The hole intersected 6.6 metres of massive sulphides now interpreted as a new Footwall Lens extending the resource potential in the upper zone of the deposit.

Hole TBD 257B was drilled to test for an extension of the Main Lens and Footwall Lens to the north of TBD256. The hole intersected 18.66m @ 5.09% Cu, 18.8% Zn and 125 g/t Ag of massive sulphide in the Main Lens. The intercept will increase resource tonnage in this area of the deposit.

The final hole in the BFS drill program **TBD 220W**, was wedged upwards off hole TBD 220 in order to define the lower portions of the northern part of the Main Jaguar ore body. Three massive sulphide horizons were intersected the widest being 3.55m (total intersected massive sulphide was 6.29m). The predicted massive sulphide thickness in this area was in the order of one (1) metre. TBD 220W has extended the limit of potentially economic massive sulphide by approximately 30 metres and has the potential to increase the resource tonnage. Assay results are awaited.

In addition to the Main Lens intersections, encouraging results have been returned from various Footwall Lenses including Hole TBD 256 - 2m at 14.2% zinc and Hole TDB 254 - 6.6m at 5.54%Cu, 10.51% Zn and 190 g/t Ag.

Hole TBD254A was drilled on beyond the Footwall Lens massive sulphides intercept and intersected 26 metres of sulphides as stockwork/stringer mineralisation, which included an intercept of 8m @ 4.13% Cu. This relatively high-grade copper zone will require further drilling to fully evaluate its resource potential.

With the 2003-2004 BFS drill program now complete, it is envisaged that an increase in the resource tonnage over the Pre-Feasibility estimate will be achieved. An updated resource estimate will be prepared as part of the BFS following a re-interpretation of the deposit morphology to include the multiple Footwall Lenses and the newly discovered footwall stockwork/stringer mineralisation.

RESOURCE MODELLING

Re-interpretation of the massive sulphide lenses intersected in the recent drilling at Jaguar was undertaken during the quarter. The new interpretation indicates the presence of a number of stacked lenses within the orebody (see Figure 1).

An updated resource estimate will be completed in the December 2004 quarter following receipt of final assays. The Directors anticipate that the drill intercepts returned during the September 2004 quarter should lead to an increase in both tonnes and grade of the deposit above the previously announced resource estimate. Interpretation and 3-D modelling of the footwall stockwork/stringer mineralised zone will also be undertaken during the December 2004 quarter.

GEOTECHNICAL

Geotechnical drilling of the proposed box-cut area for the underground decline portal was completed during the quarter. Indications are that the box-cut will need to be approximately 70 metres in depth to extend into fresh bedrock material suitable for underground development. Core samples from the drill program will be analysed for their geotechnical properties which will allow design parameters for the box-cut and decline portal to be finalised.

All geotechnical modelling and analysis is scheduled to be completed in the December 2004 quarter.

MINING

The mine design will now include an underground crusher and haulage conveyor which was purchased from Teck Cominco as a result of the decommissioning of the Kapok underground mine at Cadjebut. The conveyor/crusher system will provide a considerable reduction in operating costs with all ore and waste mined underground being brought to surface on the conveyor so minimising the use of underground haulage trucks. The ore will also be directly fed to the plant eliminating the majority of normal surface rehandling requirements.

The final underground mine design, layouts and development and production schedules are programmed for completion in the December 2004 quarter.

METALLURGICAL TESTWORK

Metallurgical testwork continued during the quarter with results confirming that target concentrate grades and recoveries will be achievable.

The testwork has indicated that it is likely that the regrind mill in the zinc flotation circuit may not be necessary. The removal of the mill from the current design circuit will result in a slight reduction in capital and operating costs. Further testwork to confirm this will be completed in the December 2004 quarter.

Optimisation of the metallurgical testwork will be completed during the December 2004 quarter.

PROCESS DESIGN

The process design for the BFS is almost complete. The relocated Cadjebut plant will require the installation of a regrind mill to the copper flotation circuit and other minor modifications. The design plant throughput is 350,000 tonnes of ore per annum.

Final process design to a BFS level is awaiting the results of further testwork to confirm the removal of the regrind mill in the zinc flotation circuit (as discussed above).

MARKETING

During the Quarter, a marketing consultant was commissioned to review options for the marketing of the copper and zinc concentrates produced at Jaguar. Preliminary enquiries indicate a strong demand for the concentrates, in particular for zinc.

Preliminary discussions commenced with other copper/zinc producers to determine the possibility of co-marketing the Jaguar concentrates with other concentrates. The discussions were positive and will continue during the December 2004 quarter.

Marketing of the concentrates is contingent on final concentrate specifications derived from the metallurgical testwork which is nearing completion.

PROCESS WATER

A review of the potential to utilise water currently contained in the old Teutonic Bore pit was conducted during the quarter. The review indicated that the pit could provide suitable process water for the operation for up to two and a half years without other complementary sources.

As a reserve water source, a review of the potential to establish a borefield directly to the south of the Wendy's Bore borefield was also completed during the quarter. The review indicated the potential to establish a new borefield of adequate capacity to provide process water for the operation. The prospective borefield area is within granted Jabiru tenements.

TAILINGS DAM

A preliminary design and costing for the re-establishment of the Teutonic Bore tailings dam was completed. The design and costing includes provision for the operation, monitoring, rehabilitation and final closure of the tailings storage facility. Final designs and costings will be completed during the December 2004 quarter.

POWER

Options for the provision of both diesel and gas fired power stations for the Jaguar operation was investigated during the quarter. Review, design and costing of the proposed power supply for the operation is scheduled for completion in the December 2004 quarter.

ENVIRONMENTAL

Environmental surveys are nearing completion (flora, fauna, heritage and archaeological), in the vicinity of the underground box cut, plant site, access road, pipelines etc. No environmental impediments to the project have been identified.

NATIVE TITLE

The Company has also reached agreement with the two local Traditional Aboriginal groups to allow the grant of the mining leases over Jaguar through to Teutonic Bore area and for mining to commence.

BANKABLE FEASIBILITY STUDY STATUS

The BFS is currently in the process of being drafted into final form. Documentation is on track to be completed in December 2004. Negotiations with various financial institutions interested in financing the development of the Jaguar Project will be finalised following completion of the BFS.

The Company anticipates that funding arrangements and concentrate off-take agreements should be completed in time for the decline development to commence during the second quarter of 2005. Following the commencement of mining, the construction and mine development schedule will require approximately 14 months to first metal production.

CADJEBUT PLANT RELOCATION

The Cadjebut plant has been completely disassembled and 90% of the equipment is now on site at Jaguar. The Kapok conveyor system has been completely removed from the Kapok decline, and 40% of the conveyor system has been transported to Jaguar. The underground crusher is 30% disassembled for transport to surface at Kapok.

TEUTONIC BORE JOINT VENTURE (Inmet 65%, Pilbara 35%)

During the June quarter, Inmet completed a further three diamond drill holes for 1376 metres as follow-up to targets developed by the 2003 drill program. The 2004 drilling was a further test of hole TBD 0304 (see Figure 3) and of a potential nickel sulphide target in the Snowy's South area. A summary of results is given in Table 2 including assay results from hole TBD 0401.

Table 2: Summary of 2004 Drill Program

Hole	Target Area	Target	Results
TBD 0401 Follow-up of TBD 0304	South Snowy	DeepEM/STEP anomaly	Base metal sulphide mineralisation, 2.70 metres at 0.70% Cu was returned within graphitic sediments at mafic felsic volcanic contact. DHEM: In-hole edge (centre updip to north)
TBD 0402	South Snowy	DeepEM/STEP anomaly	Hole abandoned
TBD 0403	South Snowy	DeepEM/STEP anomaly	Unmineralised mafic volcanics DHEM: no response

Hole TBD 0401 was drilled to follow-up the highly conductive off-hole anomaly detected in hole TBD 0304 (2003). The anomaly in TBD 0304 occurs at a mafic-felsic volcanic contact associated with a zinc-copper mineralized sedimentary unit (0.85 m at 0.1% Cu, 2.9% Zn, 4.8g/t Ag).

Two zones of sediment were intersected in TBD 0401 roughly 150 metres down dip of the mineralised interval in TBD 0304. The first zone (600 metres downhole) contained chalcopyrite and pyrrhotite veins and disseminations in a brecciated sediment matrix with pyrrhotite concentrations locally up to 10%. The mineralised interval assayed 2.7 metres at 0.7% Cu, 0.03% Zn. The second zone comprised graphitic argillites containing bands of pyrite and pyrrhotite up to 0.5cms wide. A contiguous zone of 6.6 metres of zinc enrichment >0.15% was returned from this zone including 2 metres at 0.5% Zn. The mafic volcanic rocks of both the hanging wall and immediate footwall to the sediment zones are strongly altered.

The results from a downhole survey of TBD 0401 indicated a conductor was intersected in the hole and that it has a significant off-hole component. Modelling suggests it is a complex multiple source that requires further drilling.

TWIN PEAKS PROJECT

The Company has applied for two exploration licences E59/1182 and E59/1183 in the Twin Peaks district 200 kilometres northeast of Geraldton. The applications cover two mafic dominated greenstone belts over approximately 30 kilometres strike (see Figure 4). Previous exploration has outlined a series of base metal anomalies in surface sampling which the Company consider are worthy of follow-up. A database compilation will commence in the December 2004 quarter.

CORPORATE

\$5.1 MILLION PLACEMENT

During the quarter, the Company completed placement of 30,000,000 shares at an issue price of \$0.17 per share to raise \$5.1 million (the "Issue") to Hartleys Limited international and domestic institutional clients, private investors and to Tanami Gold NL.

The Issue was undertaken in two tranches, with the first tranche comprising 14,300,000 shares at \$0.17 per share placed pursuant to the Company's 15% placement authority and the second tranche of 15,700,000 at \$0.17 per share placed following shareholder approval at a general meeting of shareholders held on 27 August 2004.

The funds will be principally applied to complete the relocation and refurbishment of the Cadjebut plant, to complete the Jaguar Project BFS and resource drilling program, for further exploration, and for working capital.

The shareholder meeting also approved a name change for the Company to Jabiru Metals Limited. The change was made to reflect the divestment of the Company's shareholding in telco company Request Broadband Pty Ltd and its new focus on becoming a base metal miner and producer through the development of the Jaguar Deposit.

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 October 2004

Quarterly_JML_Sept2004

This information, so far as it pertains to Ore Reserves or Identified Mineral Resources is based on and accurately reflects, information compiled by Martin Kavanagh 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.

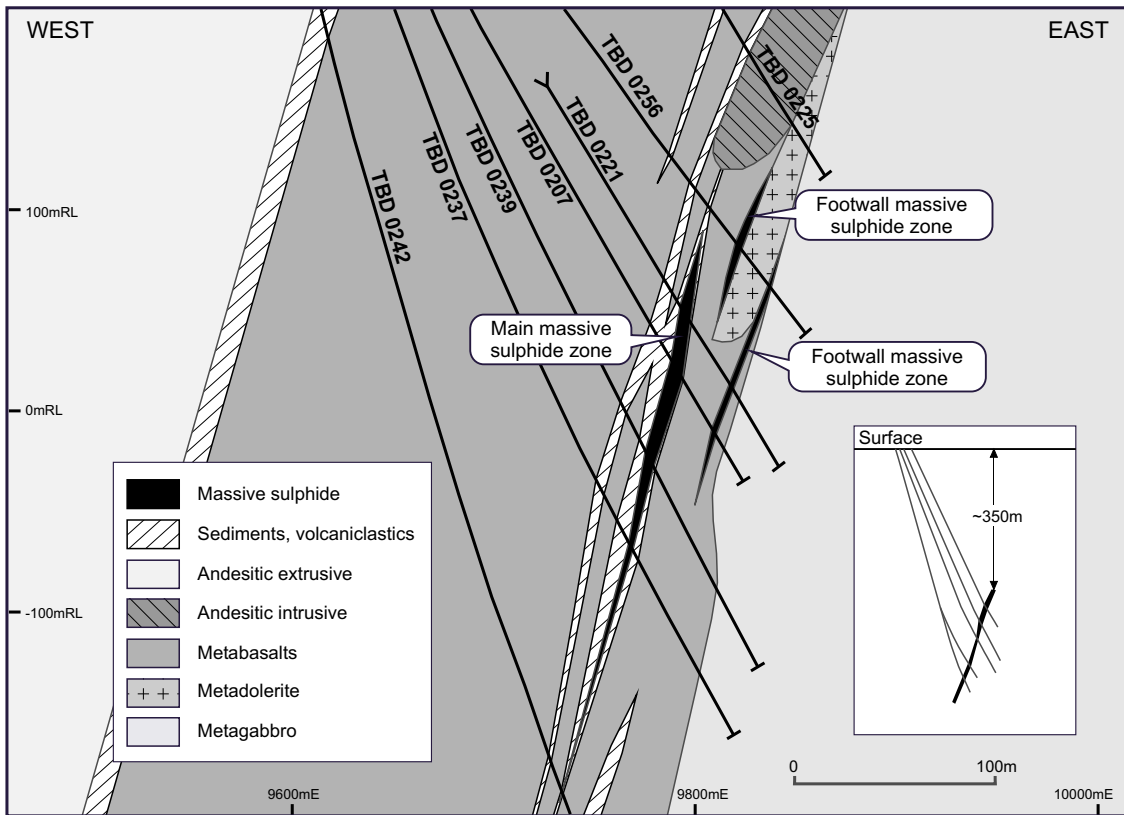


FIGURE 1 JAGUAR CROSS SECTION

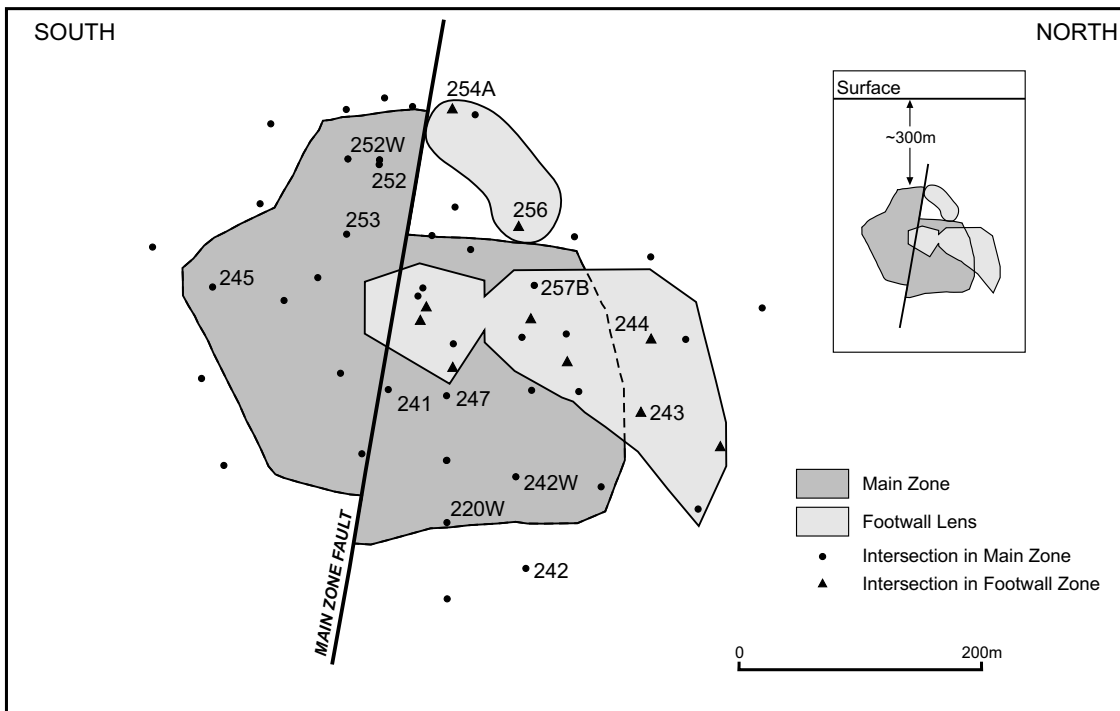
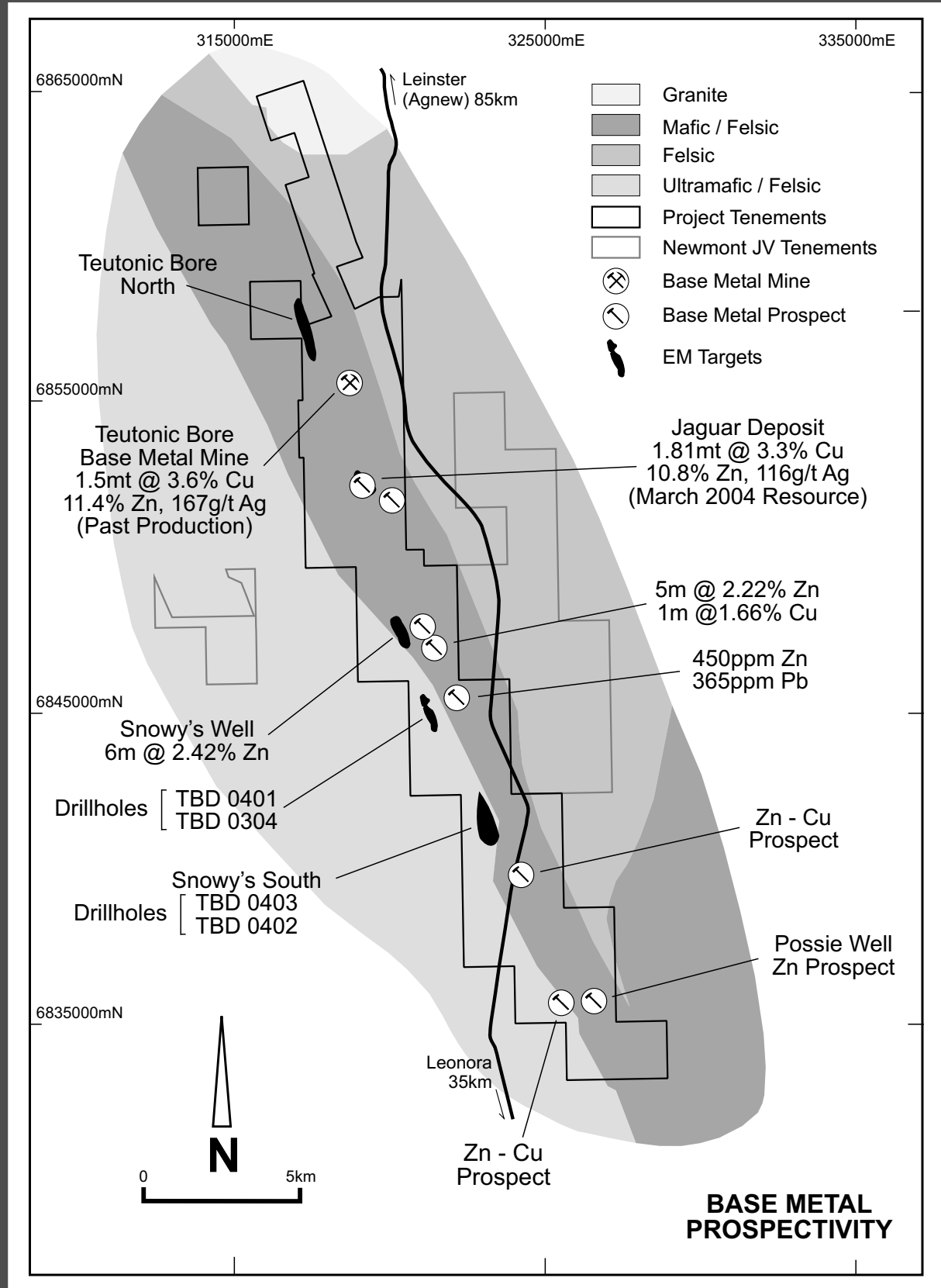


FIGURE 2 JAGUAR LONG SECTION



TEUTONIC BORE JOINT VENTURE TENEMENTS

FIGURE 3

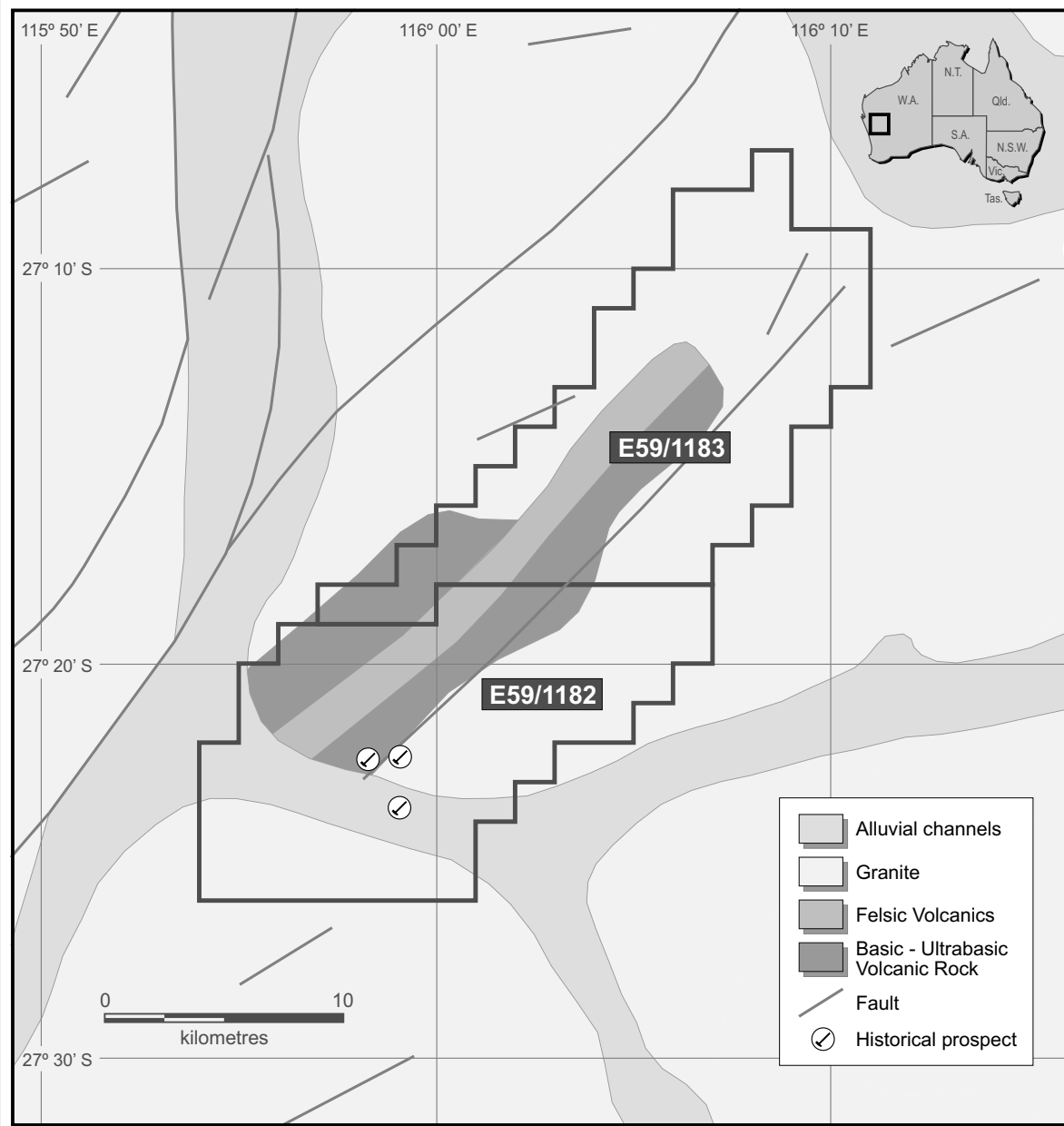


FIGURE 4