
HIGHLIGHTS



- Repayment of all Jabiru Bank Debt completed
- March Quarter zinc C1 cash costs US\$0.33/lb (after credits)
- Record copper metal production - increased by 24%
- Record zinc metal production – increased by 30%
- Bentley prospect drilling yields additional high grade base metal results
- Jaguar continued to produce net operating cash flows over the quarter, even before applying the benefits of Jabiru's in-the-money hedge book

JAGUAR OPERATION UPDATE

Overview

Jabiru Metals Ltd (“Jabiru” or the “Company”) is pleased to advise that it has further restructured the Company’s copper hedge book and that this has resulted in the repayment of all outstanding bank debt. Following the restructure, the Company has established forward sales of approximately 7,000 tonnes of copper at an average price of US\$4,000 per tonne. All QP provisional payments incurred during the December 2008 half were also finalised during January and February.

Production from the Company’s 100% owned Jaguar Project improved significantly over the quarter, exceeding forecast quarterly production, notional revenue and cost expectations. Cash receipts for this improved production will not effectively occur until April because of the time associated with the production, haulage, shipping and receipts cycle.

Metal in concentrate production increased with copper metal in concentrate improving 24% over the previous quarter, to 2641t Cu and zinc metal in concentrate improving by 30% to 7,844t Zn. This has been achieved through improving treatment throughput rates, concentrator reliability and recoveries which are now close to the anticipated BFS recoveries. Similarly, metal production is now consistent with the BFS annualised projections.

Underground mine stoping, production drilling and CAF filling programs have progressed as planned. The underground CAF fill program allows 100% extraction of the wide high grade stopes, without the need to leave any ore in pillars.

During the quarter:

- Zinc C1 cost of US\$0.33/lb (paid metal) was achieved;
- The Stage 2 CAPEX program in the concentrator was successfully completed, resulting in:
 - Improved throughput rates in the Concentrator;
 - Production of copper metal in concentrate increase of 24%;
 - Production of zinc metal in concentrate increase of 30%; and
 - Improved Cu & Zn recoveries to 83.3% & 76.3% respectively.

Jaguar continued to be operating cash flow positive, even before applying the benefits of Jabiru’s in the money hedge book.

Concentrate Production & Metallurgy

The Jaguar Concentrator Stage 2 CAPEX program was completed and commissioned in late January. The program was aimed at:

- Increasing and stabilising concentrator throughput;
- Increasing copper circuit conditioning time;
- Decoupling the grinding and flotation circuits;
- Improving metal in concentrate output; and
- Improving unit costs.

In particular, the program has allowed the following areas of the concentrator to be enhanced:

- Conversion of the grinding circuit from open to closed circuit has provided improved grind control;
- Increase in conditioning capacity at the head of both circuits; and
- Increase in the rougher capacity in the copper circuit with the addition of a 20 m³ tank cell.

The concentrate shipping rates improved over the quarter. Copper concentrate shipped totalled 10,074 dmt @ 22.9% Cu and zinc shipments totalled 14,878 dmt @ 47.4% Zn (non reconciled). In addition, stockpiles of concentrate both at the Jaguar mine site and at the Geraldton Port will support further copper (5,000 dmt @ ~ 23%) and zinc (10,000 dmt @ ~48%) shipments over the next 5 weeks.

Table 1: Jaguar Operation Production

Description	Unit	Physicals †	
		Q3	Full Year 08/09
<i>Underground Development</i>	metres	15	1,762
<i>Mine Ore production</i>	tonnes	80,560	278,206
<i>Mine Ore grade</i>			
Copper	%	3.10	2.87
Zinc	%	8.80	8.78
<i>Ore Treated</i>	tonnes	96,364	274,558
<i>Concentrator head grade</i>			
Copper	%	3.29	2.93
Zinc	%	10.67	10.16
<i>Copper Concentrate produced</i>			
Cu concentrate	tonnes	11,602	28,411
Cu grade	Cu %	22.8	23.2
Cu Metal in Cons	tonnes	2,641	6,583
<i>Zinc Concentrate produced</i>			
Zn concentrate	tonnes	16,515	41,711
Zn grade	Zn %	47.5	47.4
Zn Metal in Cons	tonnes	7,844	19,788
<i>Metal Recoveries in Concentrate*</i>			
Cu in Cu concentrate	% Rec.	83.3	82
Zn in Zn concentrate	% Rec.	76.3	71
<i>Cash Cost**</i>	US\$/lb	0.33	0.30

† The data in the table above is sourced from production records and has been reconciled to include shipments of concentrate to final customers from which final weights and grades have been received. Typically there is a 3-4 month delay between mine site production and final reconciliation for that period.

* Recovery differentials are due to rounding head grade and concentrate grade

** C1 cash cost after copper and silver credits and excludes development but includes partial reconciliation of metal for YTD as above. Average LME zinc price for the quarter was US\$0.53/lb.

Underground Mining

The overall rate of underground mine production has been pleasing, having achieved all company forecasts.

Production was sourced from the 4 level (4060mRL) to the 8 level (3980mRL). Mining occurred in 8 stopes and all remain in production at the end of the quarter.

The high density underground diamond drilling program aimed at delineating the deeper and footwall mineralisation was completed in the first week of January. Work in this quarter focussed on core logging, interpretation, geological assaying and modelling. The work completed to date supports previous statements concerning the potential of the footwall zone and has allowed detailed stope planning and design in both the main lode and footwall lodes to progress. Results from this drilling will be incorporated into an updated Ore Reserve that will form the basis of the 2009/10 annual budget and strategic long term plan.

The strategic geological target remains the increase of the mine ore reserve beyond 5 years in line with the current objectives of the Company's strategic plan.

The Jaguar CAF plant continues to perform well. Filling of the wider high grade stopes to allow 100% extraction of all high grade ore remains a high priority and this program has met expectations, improving overall project economics.

The next quarter, will place particular emphasis on site operations including:

- Preferential copper metal mining and production;
- Further improvements in metal recoveries;
- Continuing to maintain saleable concentrate grades and quality;
- Maintaining and improving existing mining production rates and head grades; and
- Improving operating efficiencies and decreasing overall unit costs.

Teutonic Bore Scoping Study

Late in the quarter the Company commenced scoping level work focussed on the potential to recommence mining at Teutonic Bore Mine (TB), which was last mined in the mid 1980's. A scoping study has begun to examine the potential to access the existing remnant high grade massive and stringer ore via the existing Teutonic Bore decline.

It is envisaged that any mine at TB will be managed by the existing Jaguar staff and that any ore won would be treated in the existing Jaguar concentrator. The TB resource is conveniently located on the existing Jaguar access road and has a haulage distance of approximately 1.2km to the Jaguar Concentrator ROM pad.

This study is expected to take some months to complete and the outcomes will be used as the basis of a full feasibility study in the 2009/10 year.

STOCKMAN PROJECT SCOPING STUDY

Progress on Jabiru's Stockman Project scoping study continued with further work aimed at refining the projects' mine design (based upon the newly produced geological shapes and resources). In addition, the development of geotechnical programs aimed at confirming stope design parameters and metallurgical test programs aimed at refining current flotation circuit designs were also conducted. This work is not yet complete and will continue in 2009/10 as part of Jabiru estimating the initial Stockman Project ore reserve.

Concurrent with the above scoping study, Jabiru continued with community consultation aimed at ensuring the Project is of benefit to all stakeholders. Feedback has to date been very positive.

TEUTONIC BORE EXPLORATION PROJECTS

Bentley Prospect (Jabiru 100%)

Significant new results were returned from a follow-up round of drilling completed at the Bentley prospect. Massive sulphides have now been intersected above, below and along strike from the discovery hole, 08SWDD04 (Figure 1: Bentley Long Section).

Two lenses of massive sulphide have been identified to date, with a combined true width of 10m-20m compared to Jaguar which has an average true width of ~4.5m. The lenses remain open up and down dip and along strike.

The encouraging results confirm the high grade base and precious metal tenor of the Bentley mineralisation (Table 2). The two principal massive sulphide zones demonstrate continuity of mineralisation down-dip and along strike (Figures 1: Bentley Long Section & Figure 2: Bentley Cross Section), with encouraging true widths of up to 16m for individual intersections.

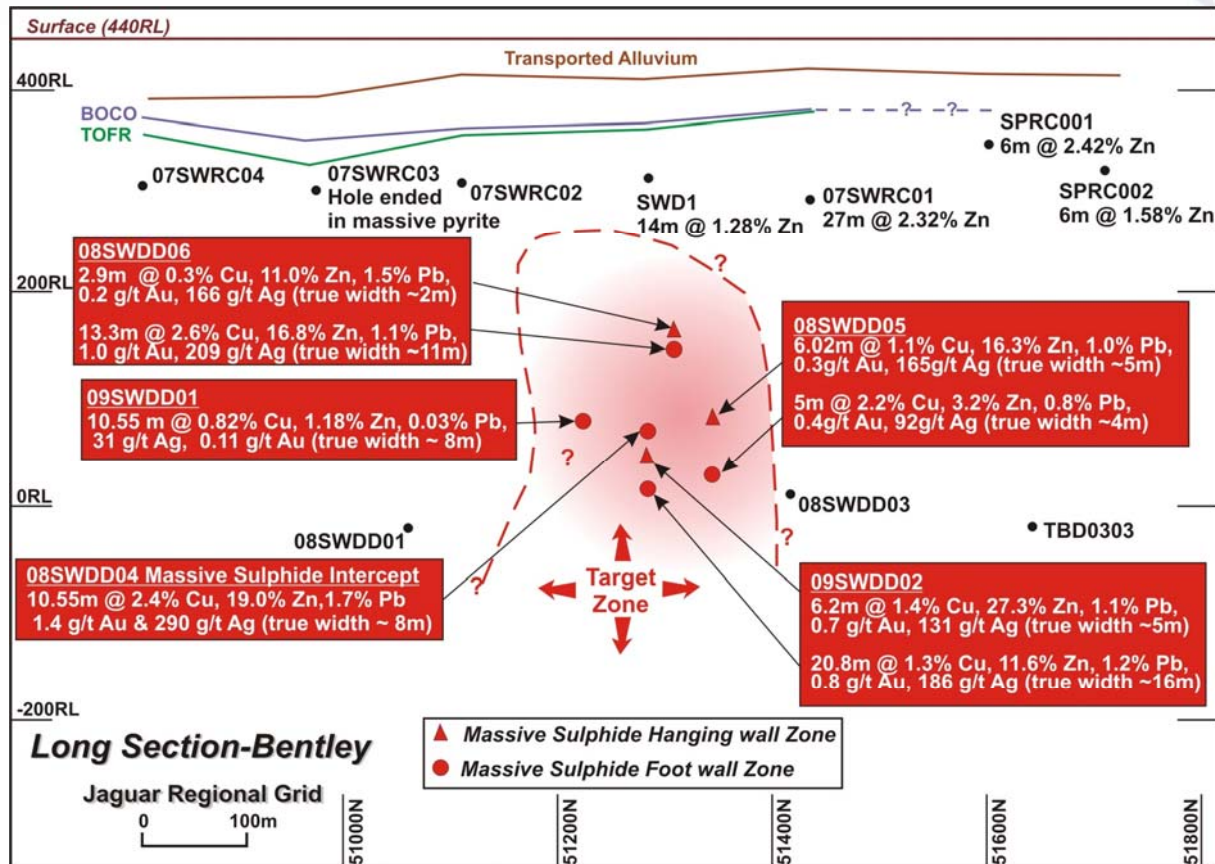
The hanging wall and footwall massive sulphide lenses are separated by a ~60m wide post – mineralisation sill which is interpreted to be related to similar sills that intrude the footwall and hanging wall of the Jaguar and Teutonic Bore deposits respectively.

The Bentley discovery, only 4.6km from Jaguar, has the potential to add considerable operating life to the project and additional drilling is planned to commence during the September quarter.

Table 2: Bentley Prospect Diamond Drilling Results

HOLE ID	MGA EAST	MGA NORTH	Dip/Az.	Dep Fm (m)	Int (m)	Cu wt%	Pb wt%	Zn wt%	Au g/t	Ag g/t	True Wdh (m)	Style
08SWDD004*	321071	6841641	-55/086	433.2	10.5	2.4	1.7	19.0	1.4	290	8	massive
			includes		5.0	3.5	0.0	0.0	2.4	422	4	massive
				443.8	17.0	1.9	0.1	0.6	0.2	15	13	stringer
				542.3	13.0	1.2	0.0	0.0	0.8	7	9.9	stringer
			includes	545.3	4.0	1.9	0.0	0.0	0.9	11	3.0	stringer
			includes	554.3	1.0	1.4	0.0	0.0	4.6	11	1	stringer
08SWDD005*	321009	6847669	-55/085	434.4	6.02	1.1	1.0	16.3	0.3	165		massive
				502.0	5.0	2.2	0.8	3.2	0.4	92		massive
08SWDD006	321073	6847642	-50/062	380.0	2.9	0.3	1.5	11	0.2	166	2	massive
				390.7	13.3	2.6	1.1	16.8	1.0	209	10	massive
				415.7	3.75	3.2	0	0	0.1	6	3	stringer
				445.0	7.15	1.2	0	0.1	0.1	9	5	stringer
09SWDD001	321099	6847599	-55/063	430.4	10.55	0.8	0	1.2	0.1	31	8	stringer
09SWDD002	321070	6847640	-63/064	410.7	6.2	1.4	1.1	27.3	0.7	131	5	massive
				459.4	20.8	1.3	1.2	11.6	0.8	196	16	massive
			includes	479.2	1.1	9.4	0.1	3.4	2.8	247	1	massive

*results previously released. (NQ diameter diamond core: quarter core cut sampled at 0.3m to 1.3m intervals adjusted for geology. Samples crushed and pulverized and subjected to four acid digest with AA finish for Cu, Zn, Pb and Ag and FA for Au.



Note: Transported Alluvium, BOCO and TOFR depths relate to upper, near collar, portion of the holes located 100-120m west of the plane represented.

Figure 1: Bentley Long Section

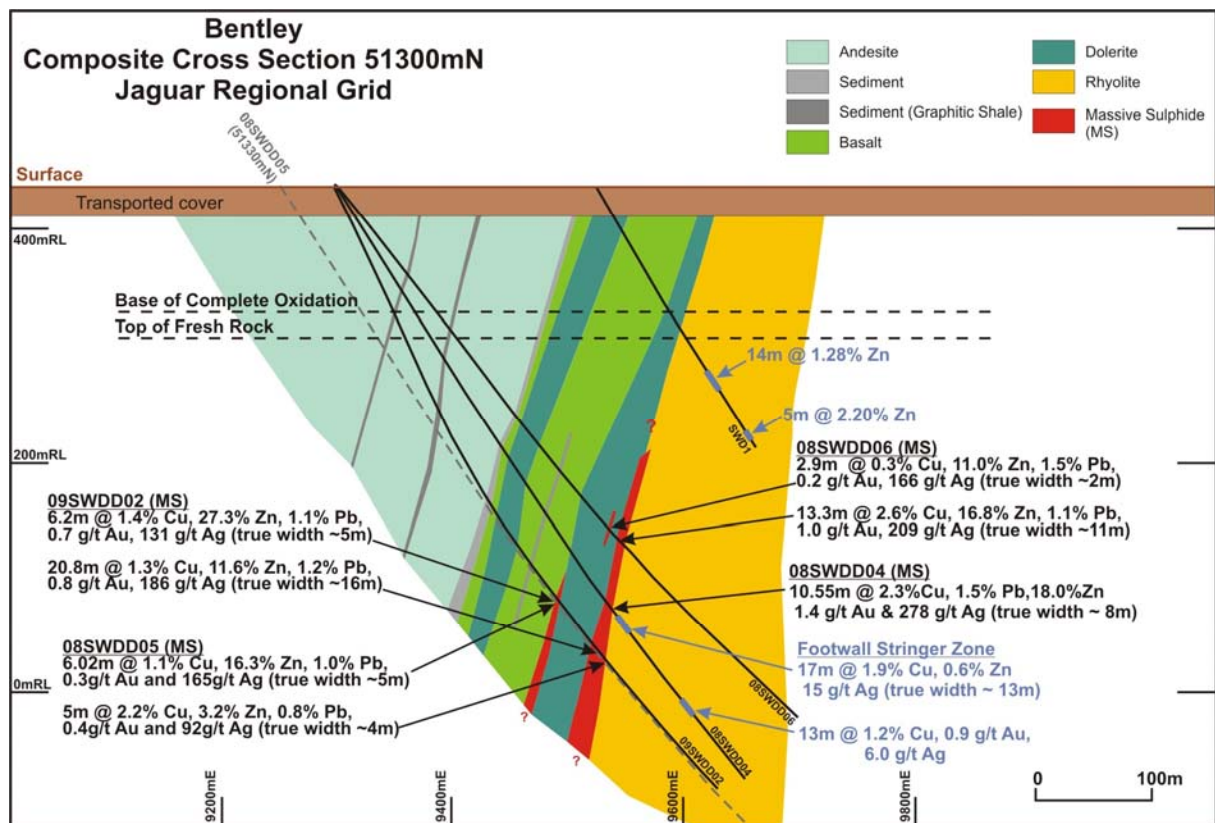


Figure 2: Bentley Cross Section

CORPORATE

Whilst the operating environment for all resource companies has been challenging over the past few months, Jabiru's Jaguar Operation performed in line with expectations during the third quarter of the 2009 financial year and continues to perform strongly into the June quarter. Jaguars' performance gave the Company the confidence to be able to completely retire the company's bank debt.

Despite weakness in global metal prices, Jaguar remains operating cash flow positive, with low operating costs. Jabiru also has a prudent level of hedging that offers a degree of surety in an uncertain market. The benefit of Jabiru's metal hedging program is also expected to flow into the 2009/10 financial year.

The discovery of Bentley plus the Stockman project provide Jabiru with a strong portfolio of exploration and development projects. The existing cash flow from Jaguar and the absence of any bank debt provides a solid foundation for further work on these projects within the confines of the current world wide metal market realities.

Whilst the Jaguar project does enjoy low operating costs, the Company will continue to maintain a pragmatic approach to expenditures in the prevailing economic climate. This will allow Jabiru to endeavour to sustain its current strong financial position and enable it, in a measured manner, to take advantage of new opportunities as they arise.

Yours sincerely

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STOCKMAN RESOURCES: SEPTEMBER 2008 - CURRAWONG & WILGA

Mineral Resource Estimate Parameters

Geological setting	Currawong and Wilga are V(H)MS style deposits, occurring as polymetallic (pyrite-sphalerite-chalcocopyrite) massive sulphide lenses within a volcano-sedimentary succession. Wilga is a single stratabound lens whereas Currawong comprises multiple stratabound lenses with a series of faults offsetting and stacking the lenses. Wilga has been mined previously but Currawong has not.
Drilling techniques	Principally diamond drilling with the exception of several RC precollars drilled by Denehurst and Austminex. None of the RC samples have been used in the resource estimates. The surface diamond drilling is a mixture of HQ, NQ and BQ core sizes, with BQ occurring only in the older WMC holes. The underground holes at Wilga were drilled LTK46 ($\phi = 35.6\text{mm}$)
Drillhole Spacing	Diamond drill coverage at Wilga is on a nominal 25x25m pattern and at Currawong is on a nominal 50mx25m pattern. Minimum hole spacing ~10m and maximum hole spacing ~70m. No twinned holes in historical data
Drillhole Collar Positions	Most drillhole collar positions were surveyed by licensed or company surveyors. All resource work has been conducted on local grids
Drillhole directional control	Dip and Azimuth readings – generally good quality surveys using downhole camera shots at about 30m intervals
Geometry of intercepts	Surface drilling intersects the massive sulphide lenses almost perpendicular to the lens orientation at both Currawong and Wilga. The underground fan drilling at Wilga has some intercepts that are almost dip parallel. Some sample bias will occur in the Wilga deposit due to this fan drilling orientation but most of the affected area has already been mined and is excluded from the resource estimate.
Sampling techniques	Mostly sawn half-core samples of HQ, NQ or BQ, varying in length up to 1m in the massive sulphide and adjusted to geological boundaries. Some quarter-core NQ samples by Austminex where core was needed for metallurgical testwork. All massive sulphide intercepts have been sampled
Data spacing and distribution	The data spacing and distribution is more than sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied
Sample preparation and assaying	All samples were crushed and a sub-sample pulverised followed by three or four acid digest with AAS or ICP determination. All samples apart from the WMC samples were prepared and analysed at independent laboratories. The assay techniques are for total digestion of the sulphides and are considered appropriate for this type of mineralisation. Lower detection limits were to 0.01% for Cu, Pb, Zn and to 1ppm for Ag
Audits or reviews	Routine validity checks were run on the assays and corrections were made where needed for those holes intersecting the massive sulphide, prior to resource estimation.
Sample compositing	2m downhole composites for drillhole and face samples (Wilga) with length and density weighting
Density	Many samples had measured densities using either water immersion or air pycnometer techniques. For those samples with no density measurement, a calculated density was applied to the sample. The assays for Cu, Pb, Zn and Fe were compared with the measured densities and multiple linear regressions developed for each deposit based on calculated sulphide content derived from base metal analyses. Densities were used in the sample compositing
Quality Control procedures	In comparison with modern requirements, minimal quality control procedures were adopted by companies completing the drilling programs in the past (eg. inclusion of only 17 field standards, 62 duplicates, 84 external laboratory checks in total to date). This shortfall has been recognised by Jabiru and will be rectified in future programs. No significant bias has been detected in the QC samples submitted however the number of samples is low. Macquarie duplicate core samples returned acceptable repeat values for Pb, Zn, Ag, Au with occasional outliers. Increased variability for >5% Cu needs further review. Macquarie inter-laboratory repeats displayed +ve bias at higher levels of Cu, Zn & Fe c.f. the repeat results. Au and Ag often returned poor repeat values - requires further investigation as may indicate nuggety distribution.
Drill sample recovery	Core sample recovery is good to excellent. Some lost core intervals have been recorded, particularly where structures such as faults were intersected by the drilling. These intervals do not affect the resource estimate.
Geological logging and photography	Holes were logged and photographed by the various companies completing the drilling programs. Some core has been photographed both wet and dry. Geological logging is adequate for resource estimation.
Geological interpretation	Confidence in the geological interpretation for Wilga is high, with the mineralisation and geological setting being simple and the availability of underground drilling, mapping and plans confirming the interpretation. Currawong is more structurally complex and whilst confidence in the geological interpretation is good, there is room for improvement with more drilling and further data review required to firm up some of the finer detail. Both deposits have been modelled using the massive sulphide as the main geological constraint. The main factors controlling continuity at Currawong are a series of post-mineralisation faults which are interpreted as disrupting the lenses.
Dimensions	Currawong (Main Lens) is about 300m long, 240m wide (down-dip), up to 35m thick and located 100-300m below surface. Wilga is about 400m long, 220m wide (down-dip), up to 35m thick and located 50-150m below surface
Estimation and modelling techniques	Ordinary kriging was used for grade estimation utilising Datamine software. Unfolding techniques were applied for variography and grade estimation. Search parameters were based on variogram models for each element. Grade estimation was constrained to the massive sulphide lens wireframes. Bulk density cell values were regressed from the kriged grades using the same formulae as for the drillhole samples. A 10m waste envelope for Wilga and a 20m waste envelope for Currawong, using inverse-distance-squared grade estimation techniques and 2m composites, was applied to each block model.
Block modelling	Currawong 5mX, 5mY, 2mZ cell size. Wilga 5mX, 5mY, 2mZ cell size. No subcelling in either deposit. Seam modelled. Post-processing included bulk density assignment to cells based on regression of kriged grades
Moisture	Tonnages have been estimated using densities some of which were dry (those analysed at external laboratories) and others that contained natural moisture. The natural moisture of the Stockman massive sulphides is typically low (<1%).
Cut-off grades, top-cut grades	No cut-off grades have been applied and no top-cut grades have been used. A geological constraint (the massive sulphide zone) has been used as it is stable and will not vary over time, unlike cut-off grades. Mineralisation within the massive sulphide lenses has been reported.
Mining and metallurgical assumptions	No assumptions about mining method, minimum mining width or internal mining dilution have been made. Similarly, no assumptions about metallurgical treatment processes and parameters have been made
Previous mine production	Wilga has been mined previously and the mining volume has been removed from the resource estimate using the available void wireframes. Reconciliation between the resource model mined-out figures (using the wireframes) and the production figures reported by Denehurst is quite poor (677kT vs 956kT ore) and remains unresolved. The Mineral Resource estimate for Wilga is potentially overestimated by around 279kT rock.
Classification	Classification was based on estimation kriging variances (EKV) averaged vertically for the massive sulphide of each lens. Arbitrary EKV cut-offs were set to separate the 3 resource categories, perimeter boundaries were smoothed and the block model cells were flagged accordingly
Tenement and land tenure status	Currawong and Wilga are located within EL5045, a granted tenement held 100% by Jabiru. Native Title was determined to have been extinguished for the tenure. The tenement is located on crown land administered by the Department of Sustainability & Environment. The area is rugged and heavily forested with no significant heritage sites identified. No significant impediments are believed to exist
Audits or reviews	A brief independent review to test for order of magnitude errors was completed by Wildfire Resources Pty Ltd in October 2007. Grade and tonnage estimates confirmed the 2001 massive sulphide estimates by Austminex.
Further work	Confirmatory diamond drilling continues and the initial program by Jabiru is expected to be completed by the end of October 2008. The drilling at Currawong and Wilga to date supports the resource interpretation although not all analytical data has been received to date. A structural framework for the Currawong deposit is being developed to add confidence to the geological and mineralisation interpretation of the sulphide lenses in that deposit. The drilling database is being completely reviewed and validated and is near completion. Improved sampling QAQC protocols have been established and implemented. New resource estimates will be completed for both Currawong and Wilga after completion of the current drilling campaign