

## HIGHLIGHTS

- **First concentrate delivered to Port**
- **First revenue achieved**
- **Underground ore stoping commenced**
- **Concentrate recoveries and grade on target**

## OPERATIONS SUMMARY

### Concentrate Production and Metallurgical Performance

Jabiru Metals Ltd (Jabiru) achieved production of its first marketable concentrate early in the quarter.

On 31st July the first zinc concentrate was delivered into the Geraldton port under the shared marketing and offtake agreement with Oxiana Ltd (Oxiana).

The first copper concentrate was delivered on 21st September.

By the end of the quarter 5,136 tonnes of zinc (dmt) concentrate at 45.35% Zn and 1,439 dmt of copper concentrate at 19.9% Cu and 481g/t Ag was stockpiled in Geraldton ready for the first ship (scheduled in late October).



The feasibility study metallurgical testwork and the performance of the concentrator to date show good correlation. Jaguar concentrate recoveries and concentrate grades are in line with expectations at this stage of the project with attendant concentrate shipment grades, as a result, equal to (Cu), or marginally ahead of (Zn), feasibility expectations at this point in time. This is especially pleasing and bodes well for the future performance of the plant.

## First Revenue

In line with the Oxiana concentrate agreement the first payments for concentrate deliveries were received by Jabiru on 20<sup>th</sup> September. The sum of US\$2.5M was received under the arrangement where 90% of the notional value of the metal delivered to port with the final 10% due under normal commercial terms once delivery to the final buyer has been effected.

On Wednesday 22nd August 2007 Jabiru entered into a number of AUD call option contracts over approximately 35% of its forecast USD monthly revenue from October 2007 to June 2008. This represents a total coverage of US\$42.0m and was struck at a weighted average rate of 0.7923.

## Underground Ore Stopping Commenced

During the quarter the underground mine completed development of the first four stopping blocks and production from two of these commenced late in the quarter. This was the final outstanding KPI and means that the project now has two independent sources of high grade ore at Jaguar.

To support the increased production, Jabiru took delivery of its third underground truck, installed the stope tele-remote production loading system and commissioned both this and the emergency escape way/primary ventilation system

These achievements are significant because it now means that Jabiru have a steady high grade stream of ore available for treatment in the concentrator. This will underpin future concentrate production and therefore revenue against budget targets.

## Jaguar Operation - Production Physicals

Description	Unit	Physical
<i>Underground Development</i>	metres	840
<i>Ore Production</i>	tonnes	45,075
<i>Ore grade</i>		
Zinc	%	6.58
Copper	%	1.61
Silver	g/t	41
<i>Ore Treated</i>	tonnes	49,705
<i>Zinc Concentrate Produced</i>	(dry)	
Zn con	tonnes	8,329
Zn grade	Zn %	41.6
<i>Copper Concentrate Produced</i>		
Cu con	tonnes	1,826
Cu grade	Cu %	18.0
Silver grade	Ag g/t	261

The above production results demonstrate a positive first quarter at the Jaguar Operation. Project to date reflects the gradual ramp up of the project and figures are considered to be broadly in line with the Bankable Feasibility Statement and Budget expectations for this stage of the project life.

## EXPLORATION

### **Teutonic Bore Exploration Project (WA) (Jabiru 100% owned)**

Exploration activities completed during the period were focussed on generating the next round of diamond drilling targets. Work completed included a total of 122 aircore holes (for 7,926 metres) that were drilled along the Jaguar-Teutonic Bore trend for the purpose of better targeting later drilling on the basis of the new geochemical and geological data. Analytical results are pending.

Diamond drilling commenced in the vicinity of Teutonic Bore and Jaguar in the last week of the quarter, and should continue into 2008.

### **Lennon's Find Exploration Project (WA) - (Jabiru 95% owned)**

Reverse-circulation drilling commenced late in the quarter, with the 8 hole programme expected to be completed by the end of October. The drilling will test zinc-copper-gold mineralisation identified over ~4km of strike which has to date had limited drill testing below 30m vertical depth.



*Drilling at Lennon's Find*

### **Benambra Exploration Project (Vic) - (Jabiru 100% owned)**

The focus of activities at the moment continues to be on obtaining the requisite permits that will allow ground-based exploration activities to commence toward the end of 2007. The on-ground work will initially be in the form of diamond drilling with the aim of defining 2004-JORC compliant resources at the Currawong and Wilga prospects. Airborne VTEM and magnetic programmes are scheduled to be undertaken late 2007/early 2008 across the tenement with the aim of delineating future drill targets.

In parallel with this, preparation for the Benambra Scoping Study has commenced with the ultimate aim of developing the Benambra resources.