



FIRST SUPPLEMENTARY TARGET'S STATEMENT BY

JABIRU METALS LIMITED ABN 51 060 620 751

This statement is the first supplementary statement (**First Supplementary Target's Statement**) to the target's statement of Jabiru Metals Limited (**Jabiru**) dated 28 February 2011 given in connection with a takeover bid by Independence Group NL ABN 46 092 786 304 (**Independence**) for all the ordinary shares it does not already own in Jabiru (**Original Target's Statement**).

This First Supplementary Target's Statement must be read together with the Original Target's Statement.

A copy of this First Supplementary Target's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 25 March 2011. Neither ASIC nor its officers take any responsibility for the contents of this First Supplementary Target's Statement.

Unless the context requires otherwise, terms defined in the Original Target's Statement have the same meaning in this First Supplementary Target's Statement.

1. **STOCKMAN PROJECT**

On 25 March 2011, Jabiru made the following announcement to the Australian Securities Exchange. The substance of the announcement is reproduced in full below.

Stockman Project Update

25th March 2011

Highlights

- Environmental Effects Statement permitting advancing on schedule
- EES Technical Review Group & Community Reference Group established
- Continuing metallurgical test work is showing consistent copper recoveries with further efforts aimed at optimisation of scoping study results
- Heavy Media Separation test work aimed at enhancing stringer ore metal recovery commenced
- Alternate cheaper power source studies underway
- Definition and extensional drilling continues at Currawong and Wilga

Jabiru Metals Ltd (**Jabiru**) is pleased to provide an update on the progress of its 100% owned Stockman Base Metals Project Study in Victoria, having completed a scoping study in December 2010 (**Scoping Study**) and presently progressing towards the completion of the Definitive Feasibility Study (**DFS**) (as previously announced on 6th December 2010) in the December Quarter of 2011.

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Permitting progress

The long lead time of the permitting process has resulted in Jabiru electing to run the DFS in parallel rather than in series, to achieve a realistic development timeline.

The period for public comment on the Environmental Effects Statement (**EES**) scope of works has concluded with no comments received, and as a consequence the Minister has converted the draft scope to a final scope.

The Technical Review Group (**TRG**) has been established from the various departmental regulators and two meetings have since been held to assess the 21 separable technical study areas (reports are broken down into three stages – existing conditions; project description and effects; mitigations and management strategies). The final reports that have taken TRG comments into account are then compiled and summarised in the formal EES document that is submitted to government for approval.

The Community Reference Group (**CRG**) has also been established with local representatives, and regular meetings have commenced to provide a formal consultation arena throughout the permitting process.

The responses received to date have been supportive of development of the project and the opportunities that will be available to the local community.

Stage 1 of the permitting, the technical studies and TRG review, is currently progressing on schedule. The release of the EES document for public exhibition is currently expected to occur in August 2011. Thereafter, the key steps are submission of public comment, Inquiry Panel hearings, Ministerial assessment considering both the public comments and Inquiry Panel assessment and finally, approvals (along with associated conditions) from the delegated decision making authorities.

Works Approvals submissions to allow commencement of mine construction and operation, based on the criteria established by the EES, will be developed in parallel with the EES process where possible. The timing of this second part of the approvals process is however less prescriptive than the initial stage.

Definitive Feasibility Study (DFS) progress

Results of the next stage metallurgical test work on the high grade copper lode carried out since the Scoping Study release are consistent with the earlier batch test work, and Jabiru will carry out further optimisation work, targeting incremental improvements in copper recovery compared to the Scoping Study recoveries of 80% for copper and 80% for zinc.

Test work has shown that reducing the primary grind size from ~30µm to ~25µm will improve copper concentrate grade and recovery. Tests to date have shown that the use of modern fine grinding technology improves grinding power efficiency compared to conventional ball milling; this effectively allows the finer primary grind described above to be produced (compared to the Scoping Study assumptions), on a cost neutral basis.

Heavy Media Separation (**HMS**) test work on stringer material designed to verify the Scoping Study upgrade assumptions are positive with the material displaying acceptable upgrade ratios to date. In addition, the first batch test of stringer material direct flotation

(without HMS upgrading) has produced better than expected copper grade and recovery performance.

Further work is planned to verify the initial performance and to ascertain the merit of producing an improved quality concentrate from stringer feed that could be used for blending options.

The next stage of test work is focusing on the high grade zinc lode within the greater resource, along with variability testing of separable geological domains identified across the mineralisation.

Surface diamond drilling is continuing on site with the aim of upgrading the current inferred resource to the indicated category at Currawong and Wilga. The exploration program is also testing extensional targets to the current resources.

Monitoring and construction data from the existing Tailings Storage Facility (TSF) has been received from Department of Primary Industries (DPI) which will allow a thorough assessment of the viability of re-using the facility. In addition fieldwork has been completed at alternate TSF sites to provide the data for vegetation offset assessments.

Power represents one of the major project operational costs and studies are progressing on several fronts to provide a more cost effective practicable solution to the high unit cost diesel generated power which was assumed in the Scoping Study. Alternate power options include the up-grade and extension of the grid system and the use of gas to power onsite generators.

Jabiru is currently considering a number of possible sources of process water supply, including groundwater, an allocation from the Tambo River and surface catchment (dam/s) to help reduce project risk. Airborne geophysics targeting groundwater has been undertaken since the announcement of the Scoping Study results, allowing exploration to be focused on high priority areas. Preliminary surface catchment design is underway on land Jabiru has agreements to purchase close to the mine as a possible site for a capture and storage dam. An allocation from the river has been flagged for potential mining use in the government's recent regional groundwater strategy document, and the details are being discussed with the relevant regulators.

DISCLAIMER: This report may or may not contain forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Jabiru has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Jabiru makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

2. FACILITY AGREEMENT

In section 14(a) of the Original Target's Statement, it is stated that:

"Under the Facility Agreement, a change of control event includes a change in the control of 50% or more of the total votes which might be cast at a general meeting of Jabiru. The completion of Independence's Offer may constitute a change of control event and, if that is

the case, that would trigger certain review rights in favour of BNP and ANZ. Those review rights ultimately entitle BNP and ANZ to discontinue the availability of the facilities and require the repayment of any indebtedness due under those facilities after a 30 day negotiation period and a further 90 day notice period."

On 24 March 2011, BNP, ANZ and Jabiru agreed to amend the Facility Agreement to defer the 30 day negotiation period (referred to above) such that it only begins from 30 June 2011 where the review rights have arisen as a result of Independence having acquired control of Jabiru prior to 30 June 2011.

DATED 25 March 2011

SIGNED for and on behalf of Jabiru Metals Limited by Ross Kestel who is authorised to sign by a resolution unanimously passed by all the directors of Jabiru Metals Limited.



Director