JAGUAR MINERALS LTD
ACN 107 159 713

EXPLANATORY MEMORANDUM

ANNEXURES A AND B

Date and time of Meeting
19 November 2004
at 11.00am WST

Place of Meeting
18 Emerald Terrace
West Perth 6005
Western Australia

This Explanatory Memorandum has been prepared for the information of shareholders of Jaguar Minerals Ltd ("**Company**") in connection with the business to be transacted at the Annual General Meeting of shareholders of the Company to be held at 18 Emerald Terrace, West Perth, Western Australia, on 19 November 2004 at 11.00am Western Standard Time.

RESOLUTIONS 3 AND 4
ISSUE OF OPTIONS TO NANETTE ALLEN AND BRIAN HURLEY

Introduction

As foreshadowed in the Company's prospectus dated 13 April 2004, the Company proposes to issue a total of 1,900,000 Options to Nanette Allen and Brian Hurley (together "**Participating Directors**"), or their nominees, as follows:

Name	Options
Nanette Allen, or her nominee	1,600,000
Brian Hurley, or his nominee	300,000

The grant of Options is designed to encourage the performance of directors of the Company.

Under the Company's current circumstances, it is considered that the incentives to the Participating Directors represented by the issue of these Options are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. The Participating Directors agree that it is better for the Company that each of them be rewarded by way of securities in the Company, rather than by way of additional cash.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

(a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or

(b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, the Participating Directors are each a related party of the Company.

Resolutions 3 and 4 provide for the grant of Options to the Participating Directors which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

(a) The related parties to whom the proposed resolution would permit the financial benefit to be given are as follows:

Name	**Options**
Nanette Allen, or her nominee	1,600,000
Brian Hurley, or his nominee	300,000

(b) The nature of the financial benefit proposed to be given:

The nature of the financial benefit proposed to be given is the grant of the Options for no consideration on the terms and conditions set out in Annexure A to this Explanatory Memorandum. Each Option will have an exercise price of 25 cents and an expiry date of 31 December 2008.

The Directors consider the following values for Participating Directors to be fair and reasonable to encourage performance for the benefit of the company

Name	**Value**
Nanette Allen, or her nominee	$130,000
Brian Hurley, or his nominee	$ 25,000

Accordingly, utilising the BSModel of 8.05cents per Option, as stated in (d) (iii), proposed options would be granted as follows:

Name	**Options**
Nanette Allen, or her nominee	1,600,000
Brian Hurley, or his nominee	300,000

(c) Directors' recommendation:

The Participating Directors each decline to make a recommendation to shareholders in respect of Resolutions 3 and 4 as they have a material personal interest in the outcome of the particular resolution that relates to the proposed grant of Options to them.

Mr Michael Wright does not have a financial interest in the outcome of the particular resolution and recommends that shareholders approve the grant of Options under Resolutions 3 and 4.

(d) Other information that is reasonably required by shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 3 and 4 that is known to the Company or any of its Directors:

(i) The proposed resolutions would have the effect of giving power to the Directors to grant a total of 1,900,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 15,721,000 listed Shares on issue and 10,000,000 unlisted options.

(ii) If any Options granted as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Options and all existing options are also exercised, the total dilution would be approximately 4.35%. The market price of the Company's Shares during the period of the Options will normally determine whether or not option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Options.

(iii) The Company's advisers have valued the Options using the Black-Scholes Option Pricing Model ("**BSModel**"), which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSModel is a function of a number of variables and is rounded to the nearest one hundredth of a cent. Their assessment of the value of the Options has been prepared using the following variables:

- the price of the underlying share is 13.0 cents;
- the exercise price is 25 cents;
- the Option term is 4.25 years;
- a volatility factor of 100%; and
- a risk free interest rate of 5.21%, as at 16 September 2004.

In deriving the valuation the BSModel relies upon the following assumptions:

- that the Options are American call options (ie. they can be exercised at any time during the period);
- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying shares do not pay a dividend; and
- share prices behave in a manner consistent with a random walk in continuous time.

Using the abovementioned variables the BSModel calculates the value of an Option to be 8.05 cents. Any change in the variables applied in the BSModel between the date of the valuation and the date the Options are granted would have an impact on their value.

(iv) As at the date of this Notice, the Participating Directors and their associates have relevant interests in securities in the Company as follows:

NAME	NUMBER OF SHARES	NUMBER OF OPTIONS
Nanette Allen	10,000	5,000
Brian Hurley	50,000	25,000

(v) Nanette Allen is an executive Director and as such receives a salary from the Company. Her base salary per year (excluding superannuation) is $90,000. In addition, Ms Allen is provided with a fully maintained motor vehicle, a mobile telephone (all reasonable costs paid) and 75% of home telephone costs. The total financial benefits per year to be received by Ms Allen in addition to her base salary are approximately $23,100. The total value of the Options to be issued to Ms Allen is $128,800.

(vi) Brian Hurley is a non-executive Director who will be receiving director's fees of $30,000 per year. Mr Hurley does not receive any other remuneration from the Company. The total value of the Options to be issued to Mr Hurley is $24,150.

(vii) The Company acknowledges the issue of options to Non-executive Directors is contrary to recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. However, the Board considers the grant of the Options pursuant to Resolution 4 to be reasonable in the circumstances given the Company's size and stage of development and the necessity to attract the highest calibre of professionals to the role, whilst maintaining the Company's cash reserves.

(viii) The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the Australian Stock Exchange Limited since the Company's Shares began trading on 15 July 2004:

SECURITY	HIGHEST PRICE	DATE OF HIGHEST PRICE	LOWEST PRICE*	DATE OF LOWEST PRICE	LATEST PRICE ON 19 OCT 2004
Ordinary Shares	19 cents	16 July 2004	12 cents	8 October 2004	15.5 cents

(ix) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to the resolutions.

(x) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolution.

Listing Rule 10.11

Listing Rule 10.11 requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the issue of Options to the Participating Directors.

Additional Information

For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

(a) the Options will be granted to the Participating Directors, who are both directors of the Company, or their nominees;

(b) the maximum number of Options to be issued is 1,900,000;

(c) the Options will be granted on a date which will be no later than 1 month after the date of this Meeting;

(d) the Options will be granted for no consideration;

(e) no funds will be raised by the grant of the Options; and

(f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the issue of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

(Note: Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's Shares then on issue. Listing Rule 7.1.4 provides that for the purposes of Listing Rule 7.1, Options are treated as if they were the Shares into which they will, upon exercise, convert.)

RESOLUTION 5
GRANT OF OPTIONS TO ROBERT SEED

Listing Rule 7.1

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's fully paid ordinary shares then on issue. Listing Rule 7.1 approval is sought so that the 15% threshold is maintained and available for use by the Company in the future should the circumstances require it.

Information for Shareholders

Resolution 5 has been included so that shareholders may approve pursuant to Listing Rule 7.1 the issue of 350,000 Options to Robert Seed.

Mr Seed has been employed by the Company to fulfil the role of Exploration Manager. The Directors considered that the incentive to Mr Seed represented by the issue of the Options are a cost effective and efficient reward and incentive for the Company to give Mr Seed, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The issue of Options pursuant to this Resolution will represent 0.76 % of the issued capital of the Company on a fully diluted basis (assuming the Options the subject of Resolutions 4 and 5 are exercised but prior to the issue of the 350,000 Options). The Company is required to seek shareholder approval for any issues of securities greater than 15% of its issued capital pursuant to Listing Rule 7.1. The passing of this Resolution will permit the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months. The information required to be given to shareholders pursuant to Listing Rule 7.3 is as follows:

(a) the number of securities to be issued is 350,000 Options;

(b) the Options will be issued no later than 3 months after the date of the meeting;

(c) the Options will be issued for no consideration and accordingly no funds will be raised from the issue of the Options;

(d) the allottee is Robert Seed; and

(e) the Options the subject of this Resolution are exercisable at 25 cents each and have an expiry date of 31 December 2008. The full terms and conditions of the Options the subject of this Resolution are provided in Annexure A to this Explanatory Memorandum.

RESOLUTION 6
FINANCIAL ASSISTANCE BY THE COMPANY FOR ACQUIRING SHARES IN THE COMPANY

The Company proposes to give financial assistance to Nanette Allen and Robert Seed ("**Specified Persons**"), the persons receiving Options pursuant to Resolutions 3 and 5 respectively.

The financial assistance takes the form of a loan to be provided to those persons (on application by them) to enable them to pay the exercise price on the exercise of Options granted to them pursuant to Resolutions 3 and 5.

The maximum amount of the loan to be provided to the Specified Persons is $487,500 being the maximum number of Options to be issued to the Specified Persons multiplied by the exercise price of 25 cents. However, the maximum loan the Company can provide to a person specified in Listing Rule 10.1 (which in this case includes Ms Allen) will not, at the time the loan is provided, equal or exceed 5% of the equity interests of the Company. In addition, the Loan will only be provided where at the time the Application Form is lodged with the Company, the weighted average price of the Shares over previous 20 trading days on ASX is greater than exercise price of the Options.

Pursuant to section 260A of the Corporations Act, the Company may financially assist persons to acquire Shares only if:

(a) giving the assistance does not materially prejudice:
   (i) the interests of the Company or its shareholders; or
   (ii) the Company's ability to pay its creditors; or

(b) the assistance is approved by the Company's shareholders in accordance with section 260B of the Corporations Act.

Section 260B of the Corporations Act provides that financial assistance is approved in accordance with section 260A of the Corporations Act if shareholder approval is given by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by the persons acquiring the Shares or by their associates.

Accordingly, Resolution 6 has been included, with the required voting exclusion statement, so that shareholders may approve, pursuant to section 260B of the Corporations Act, the provision of financial assistance by the Company to the Specified Persons who take up the Loan to fund the exercise of their Options and, as a result, acquire Shares in the Company.

The Loans will be provided pursuant to the Loan Scheme, the full terms of which are attached as Annexure B to this Explanatory Memorandum. In summary, the terms provide:

- The Loans will be interest free.
- The Loan must be repaid on the termination of the employees' employment or in certain other circumstances.
- Any dividends must be applied to reduce the outstanding loan.
- The Loan will be limited recourse to each participant's Shares issued upon exercise of the Options. If the employee ceases to be employed the maximum amount the employee may be required to repay would be the lesser of the amount of the Loan outstanding or the market price of the Company's Shares. In this way, the participant is protected against a fall in the Company's share price.

The Directors believe the provision of the financial assistance to enable the Specified Persons to exercise their Options will enhance the future prospects of the company. The Company has an ambitious and motivated team. It is vital to the Company's future that the services of this team be maintained, and that they have an opportunity to participate in the Company's successes by being able to exercise their Options.

It is not expected that the giving of the financial assistance will have any significant effect on the financial position of the Company, except in the event the Company is required to forgive any indebtedness to the non-recourse nature of the Loan.

As the Loan funds are used for payment of the total price payable on exercise of the Options, the granting of the Loan by the Company does not have an effect on its cashflow as the Loan funds will be immediately returned to the Company in the form of subscription funds for the Shares. Upon issue of the Shares, the Company's books of account will reflect an increase in contributed equity and, until such time as the Loan is repaid, a current asset in the form of the Loan outstanding from the relevant Specified Person.

For these reasons, the independent Directors (being Messrs Hurley and Wright) do not consider that the giving of the financial assistance will have a significant effect on the financial position of the Company except in the event that a Specified Person defaults in the repayment of the Loan.

In the independent Director's view, the financial assistance given by the Company to the Specified Persons who take up the offer of a Loan upon exercise of the Options is for the benefit of the Company and accordingly the independent Directors recommend that Resolution 7 be passed.

As Ms Allen is able to participate in the financial assistance she does not make a recommendation on this Resolution.

GLOSSARY

"**ASX**" means Australian Stock Exchange Limited;

"**Company**" means Jaguar Minerals Ltd ACN 107 159 713;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Listing Rules**" means the Listing Rules of ASX;

"**Loan**" means the loan offered under and pursuant to the Loan Scheme;

"**Loan Scheme**" means the loan scheme attached as Annexure B to this Explanatory Memorandum;

"**Notice**" or "**Notice of Meeting**" means the notice of meeting which accompanies this Explanatory Memorandum (including Annexures A and B);

"**Options**" means an option to acquire one Share exercisable at 25 cents each, on or before 31 December 2008, on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this Notice of Meeting;

"**Participating Directors**" means Nanette Allen and Brian Hurley;

"**Shares**" means fully paid ordinary shares in the Company; and

"**Specified Persons**" means Nanette Allen and Robert Seed.

ANNEXURE A

TERMS ANS CONDITIONS – OPTIONS EXPIRING 31 DECEMBER 2008

The Options to be issued pursuant to the Resolutions will be issued on the following terms:

1. Each Option shall be issued for no consideration.

2. Each Option entitles the holder to subscribe for one Share in Jaguar Minerals Ltd ACN 107 159 713 ("**Company**") upon the payment of 25 cents per Share subscribed for.

3. The Options will lapse at 5.00 pm, Western Standard Time on 31 December 2008 ("**Expiry Date**").

4. The Options are not transferable and will not be listed for official quotation on the ASX.

5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.

6. Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.

7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;

8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.

9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the optionholder to the balance of the Options held by it.

10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.

11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

1. INTERPRETATION

In this Scheme:

"**Application Form**" means a form substantially the same as that appearing in Schedule 1 of this Loan Scheme;

"**ASX**" means Australian Stock Exchange Limited;

"**Borrower**" means an Eligible Employee who elects to exercise whole or part of the Options granted to him or her and makes a request for the Company to provide a Loan pursuant to clause 3.1 of this Loan Scheme and, in the event of his or her death after the grant to him or her of a Loan, his or her executors, administrators or other legal personal representatives;

"**Company**" or "**Jaguar**" means Jaguar Minerals Ltd ACN 107 159 713;

"**Executive Director**" means an executive director of the Company;

"**Eligible Employee**" means an employee of Jaguar and includes Executive Directors and consultants;

"**Equity Interests**" has the meaning ascribed to that term in the Listing Rules;

"**Listing Rules**" means the Listing Rules of ASX (as amended form time to time);

"**Loan**" means an amount of money loaned to the Eligible Employees by the Company pursuant to this Loan Scheme, from time to time;

"**Options**" means the Options to acquire ordinary shares in Jaguar which were granted to the Eligible Employees;

"**Shares**" means the shares to be issued to the Borrower on exercise of Options, using funds provided from a Loan; and

"**Secretary**" means the Secretary or a Secretary of Jaguar from time to time.

2. NON-EXECUTIVE DIRECTORS

Non-executive Directors are not eligible to apply for a Loan pursuant to this Loan Scheme.

3. ADVANCE OF THE LOAN

3.1 Upon delivery to Jaguar of a notice of exercise of Options incorporating a duly signed and completed Application Form for a Loan, Jaguar agrees, subject to clauses 3.2 and 3.3, to lend to the Borrower the amount of the Loan.

3.2 Where the amount of the Loan applied for by a person who comes within Listing Rule 10.1 of the Listing Rules exceeds 5% of the Equity Interests of the Company, the maximum amount of funds which Jaguar can lend to the Borrower cannot cause the Company to exceed this threshold.

3.3 The Loan will only be provided where at the time the Application Form is lodged with the Company in accordance with clause 3.1, the weighted average price of the Shares over previous 20 trading days on ASX is greater than exercise price of the Options.

3.4 By lodging the Application Form in accordance with clause 3.1 the Borrower is deemed to have applied for a Loan from Jaguar for the exercise price of Options.

4. INTEREST

4.1 The Loan shall be free of interest.

5. REPAYMENT AND EARLY REPAYMENT

5.1 Subject to clause 5.7, the Borrower agrees to repay the Loan by instalments to the extent that dividends are applied in accordance with clause 5.2 on or before 10 years after Loan funds are provided by Jaguar.

5.2 A Borrower who applies for a Loan under clause 3.1 irrevocably directs Jaguar to pay an amount equal to:

(a) ***the amount of any franked dividend;***

(b) ***one half of the amount of any unfranked dividend; or***

(c) ***any capital returns or other amounts or attributable to shareholders paid by Jaguar,***

in respect of the Borrower's Shares to Jaguar for the purpose of repaying the Loan by instalment payments.

5.3 All amounts received by Jaguar pursuant to clause 5.2 shall be used to repay the Loan. Such repayment shall be used to reduce the amount outstanding on each Share as nearly as practicable.

5.4 Jaguar shall upon repayment in full of a Loan pay future dividends in respect of the Shares to the Borrower provided the Borrower remains the registered owner of the Shares at the time the entitlement to dividends is determined.

5.5 The Borrower hereby irrevocably appoints each of Jaguar and the Secretary as his or her attorney in the name of and on behalf of himself or herself, to execute all documents and papers and do such things as the attorney thinks fit for the purposes of satisfying and paying any instalment owing under the Loan to Jaguar, and for the purposes of enabling the Secretary to exercise the voting rights attaching to the Borrower's Shares at all times prior to the repayment in full by the Borrower of the Loan in respect of those Shares. The Borrower agrees that the Secretary and/or Jaguar as attorney for the Borrower may, in complete satisfaction of each Loan instalment owing to Jaguar, negotiate over and endorse such negotiable instruments including cheques as may be receivable by the Borrower from Jaguar or any broker member of the Australian Stock Exchange Limited.

5.6 The Borrower may elect to repay the balance of any amount outstanding in respect of the Loan at any time and, upon receipt of payment of the total outstanding, the Shares shall become the free and unencumbered property of the Borrower and Jaguar shall deliver to the Borrower the share certificate(s) or holding statements (if any) in respect of the Shares held by Jaguar.

5.7 If the Borrower:

(a) ***ceases, for any reason whatsoever, other than death, permanent disability or removal from office to be an employee or Executive Director of Jaguar, or ceases to provide his or her full time services to Jaguar under a service or consultancy agreement or arrangement with Jaguar; or***

(b) ***fails to pay any instalment of the Loan when due and payable and such failure continues unremedied for a period of 30 days after the date of service of a notice from Jaguar notifying the Borrower of the failure,***

then the Loan shall become due and payable by the Borrower to Jaguar within 1 month from the date of the happening of any of the events referred to above but, if the Borrower ceases to be an employee because of his or her death, permanent disability or removal from office, the period of 1 month shall be extended to 6 months, provided always that the board of directors of Jaguar may in its sole discretion extend the period of 1 or 6 months.

6. SALE OF SHARES ETC

6.1 A Borrower may only sell, transfer or assign the Shares if:

(a) the proceeds of any such sale, transfer or assignment exceed the amount of the Loan outstanding that is applicable to that number of Shares sole and that those proceeds are first applied against any Loan outstanding (with any excess being paid to the Borrower); and

(b) the sale is organised through the Secretary.

6.2 For the avoidance of doubt, a Borrower may not sell, transfer, or assign the Shares if the proceeds of any such sale, transfer or assignment will not exceed the amount of the Loan outstanding that is applicable to that number of Shares sold.

6.3 A Borrower must not mortgage, charge or otherwise encumber the Shares until the repayment of the Loan in full, without obtaining the prior approval of the board of directors of Jaguar which approval is within its absolute discretion.

6.4 Share certificates (if any) or statement of holding in respect of Shares shall be held by Jaguar until the Loan is fully repaid at which time the Company shall deliver the certificate(s) or statements of holding to the Borrower.

6.5 Jaguar may do all things necessary or desirable under the settlement rules of the Securities Clearing House to protect or give effect to any right or restriction under this Loan Scheme.

7. LIMITED RECOURSE

7.1 Where the Borrower ceases to be an Eligible Employee of Jaguar or the period of 10 years after Loan funds are provided by Jaguar has expired, and the market price of the Shares held by the Borrower is, upon the date of cessation or expiry (as the case may be), less than the outstanding Loan owed by the Borrower in respect of such Shares, the maximum liability in respect of the Loan shall be the lesser of:

(c) the amount of the Loan then owing; and

(d) the market value of the Shares.

In that event, the Borrower authorises the Secretary (or his or her duly authorised delegate) to sell the Shares as agent for the Borrower and apply the net proceeds of sale in full satisfaction of the Loan.

8. DEFAULT

8.1 If the Borrower defaults in the repayment of the Loan as required by clause 5 the Borrower authorises the Secretary (or his or her duly authorised delegate) to sell the Shares as agent of the Borrower through a member of Australian Stock Exchange Limited.

8.2 Jaguar and the Secretary will have complete discretion in respect of the sale of the Shares under this clause and will not be liable to the Borrower in respect of the timing of or price obtained on or any other circumstances relating to such sale.

8.3 Upon the sale of the Shares by Jaguar pursuant to this clause, Jaguar shall apply the net sales proceeds (after deducting any stamp duty brokerage or other like duty payable on the transfer and any costs or expenses incurred by the Company in exercising its rights upon default and effecting the transfer of the Shares) to pay the outstanding amount of the Loan and Jaguar shall pay any balance remaining to the Borrower.

8.4 The Borrower, in consideration of the grant of the Loan, irrevocably appoints the Secretary as his or her attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name and on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of this clause and the Borrower covenants with Jaguar that the Borrower shall ratify and confirm any act or thing done pursuant to this power and shall indemnify the attorney against any liability or expense arising therefrom.

9. BONUS SHARES

If shares are issued pursuant to a bonus issue by Jaguar during the period of the Loan then such bonus shares as are issued to the Borrower in respect of the Shares subject to the Loan shall become Shares and be subject to the provisions of this Loan Scheme.

10. ASSIGNMENT OF VOTING RIGHTS

The Borrower hereby agrees to assign the voting rights in respect of the Shares held by him or her to Jaguar. The Secretary shall, at the direction of the Board of Jaguar, exercise the voting rights attached to the Shares.

11. REASSIGNMENT ON REPAYMENT OF LOAN

Jaguar hereby agrees to assign the voting rights in respect of the Shares to the Borrower on the date the Borrower repays the Loan in full.

12. REDUCTION OF LOAN

In the event of a Borrower electing to pay an amount in reduction of a Loan, the amount paid shall be applied, in the event of a Borrower owing an amount under more than one Loan, in reduction of the amount owing under the earliest Loan.

13. DIVIDEND REINVESTMENT PLAN

Until the Loan is repaid the Borrower undertakes to Jaguar that he or she will not apply for membership of any dividend reinvestment plan or any similar plan which may be established by Jaguar in so far as that plan would apply to the Shares.

14. WAIVER OR AMENDMENT

A party shall not be taken to have:

(a) ***waived any provision of or any right or entitlement under this Loan Scheme; or***

(b) ***agreed to any amendment to this Loan Scheme,***

unless he, she or it does so expressly in writing duly executed by him, she or it.

15. NOTICES

Any notice required to be given to any person shall be deemed to have been validly given if it is in writing and either handed to the person or sent by post in a properly prepaid envelope addressed to the person at the residential address of that person.

Any notice given by post shall be deemed to have been served on the third day following the day when it was posted.

16. PROPER LAW

The provisions of this Loan Scheme shall be governed and construed according to the laws of Western Australia.

HERALD
RESOURCES

HERALD RESOURCES LIMITED ABN 15 008 672 071
Level 3, 50 Colin Street, West Perth Western Australia 6005 PO Box 893 West Perth Western Australia 6872
Tel +61 8 9322 2788 **Fax** +61 8 9481 1669 **Email** hrl@herald.net.au **Web** www.herald.net.au

27 October 2004

The Directors
Jaguar Minerals Limited
18 Emerald Terrace
WEST PERTH WA 6005

Dear Sir / Madam

RE: NOMINATION OF AUDITORS

We, Herald Resources Ltd, being a shareholder of Jaguar Minerals Ltd, hereby nominate Stanton Partners to be appointed as Auditors of the Company.

Yours faithfully

T Allen

T M ALLEN
Director

END OF DOCUMENT

JAGUAR MINERALS LTD
ACN 107 159 713

REGISTERED OFFICE

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