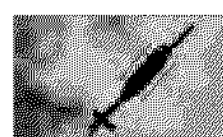


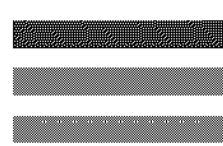
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annual report



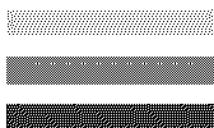
JAGUAR MINERALS LTD



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corporate information



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Brian J Hurley (Chairman)
Nanette M Anderson (Managing Director)
Michael P Wright
(Non-Executive Director)

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Dennis Wilkins

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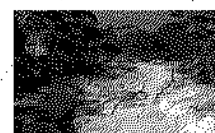
ASX Codes

Shares JAG
Options JAGO
(30 September 2008)



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chairman's review

Dear Shareholder

It is with great pleasure that I present to you Jaguar Mineral Ltd's 2006 Annual Report. The last year has seen several positive developments within our project areas, of which a few of the highlights I shall discuss here.

Without a doubt our Tasmania tenements, in particular Wilson River, are our main cause for excitement. As discussed in the body of this Annual Report our initial intent at Wilson River was targeting nickel, but follow up work has highlighted significant zinc/lead/silver mineralisation. For 2007 our target is to drill out the 2.8km zinc-lead anomaly, following up our initial drill program with the first two holes having intersected several layers of zinc-lead-silver mineralisation.

In addition to this Jaguar has applied for ground to the south of Wilson River, looking at magnetic anomalies that require geochemical testing. Ground recently granted on the North-West coast, named Temma, will also form part of the 2006/07 field exploration program. Although some work has been carried out to the west of this tenement there has been no work carried out in the eastern area. This is where Jaguar will focus its work program over several electromagnetic (EM) anomalies.

In New South Wales positive drill results have been achieved at Jaguar's Mt David tenement, with Paradigm Gold recently taking up their option to earn 25% of the project. Gold mineralisation was intersected by several drill holes with up coming programs targeting areas along strike.

Jaguar's Springfield project (NSW) has recently had soil geochemical sampling completed on the tenement. Encouraging results were not achieved to the north of the Springfield deposit but further work is to be completed to the south in the new fiscal year.

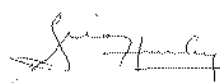
Drilling commenced at Jaguar's Kintore (WA) project in July targeting several gold anomalies highlighted by a soil sampling program earlier in the year. Results of this drilling will be detailed in the September 2006 Quarterly Report.

While the production arm of the resources industry has enjoyed a continuing resurgence in commodity prices and volumes and therefore popularity, the exploration sector has been treated with a more subdued manner. However investment in the exploration arm of the industry is what we believe is required to find enough product to support increasing growth demands worldwide. We at Jaguar extend our thanks to you for having the foresight to be a part of this investment group.

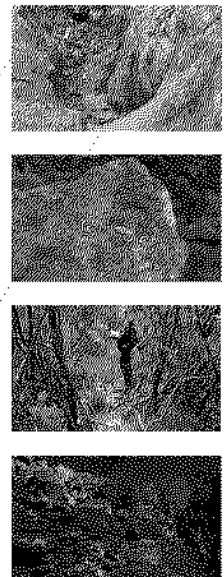
In conclusion, I'd like to reiterate that Jaguar has maintained its focus on exploration for minerals within our projects and continues to evaluate other opportunities. In keeping with our philosophy of spending money in the ground, we have continued our aggressive approach to exploration by expending over 65% of our budget on direct drilling and associated fieldwork costs.

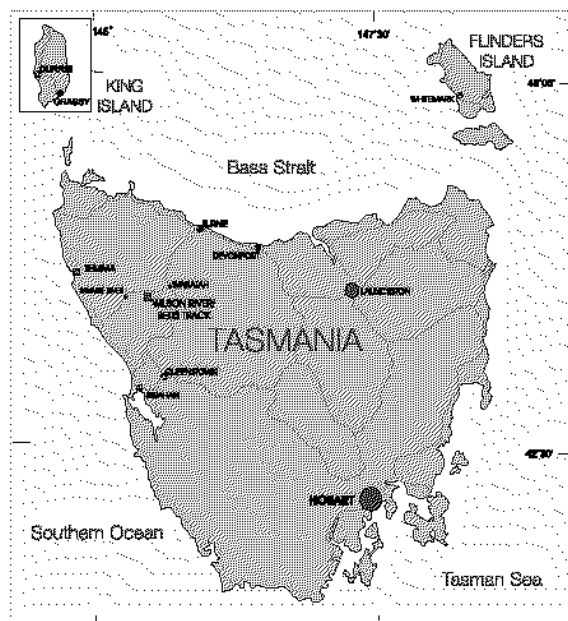
On your behalf I extend sincere thanks to our staff, consultants and contractors ably led by Mrs Nanette Anderson, our Managing Director, for their continuing contributions, efforts and enthusiasm over the year under review.

Yours sincerely,



B.J. Hurley
Chairman





INTRODUCTION

The past twelve months has represented a period of exploration success and consolidation for Jaguar Minerals Ltd in our quest to discover high value mineral deposits. Our company has continued its aggressive approach to exploration since listing in 2004 by expending over 65% of our budget into direct drilling and associated fieldwork costs. Our activities are still spread over 3 states, and we are continually looking for new opportunities throughout Australia, but it is within Tasmania where we are receiving the most exploration euphoria.

Jaguar has consolidated its land position in Tasmania and applied for a new tenement near our exciting Wilson River base metals discovery, and relinquished another at Balfour. At the time of writing this report we are continuing our extensive fieldwork programs with drilling currently underway at Kintore in Western Australia and another drill program in the planning stages at Wilson River in Tasmania.

This report details the work completed on each project in the past year, highlights each success, and details the proposed work plans for what we believe will be an exciting and successful year ahead.

TASMANIA

WILSON RIVER

The Wilson River tenement (EL23/2003) is located in the north-west Tasmania, some 65km south-west of Burnie and 4km south of the now closed Cleveland tin-copper mine. The licence area is 9km² and 100% owned by Jaguar, with a 1% net smelter Royalty to the vendors.

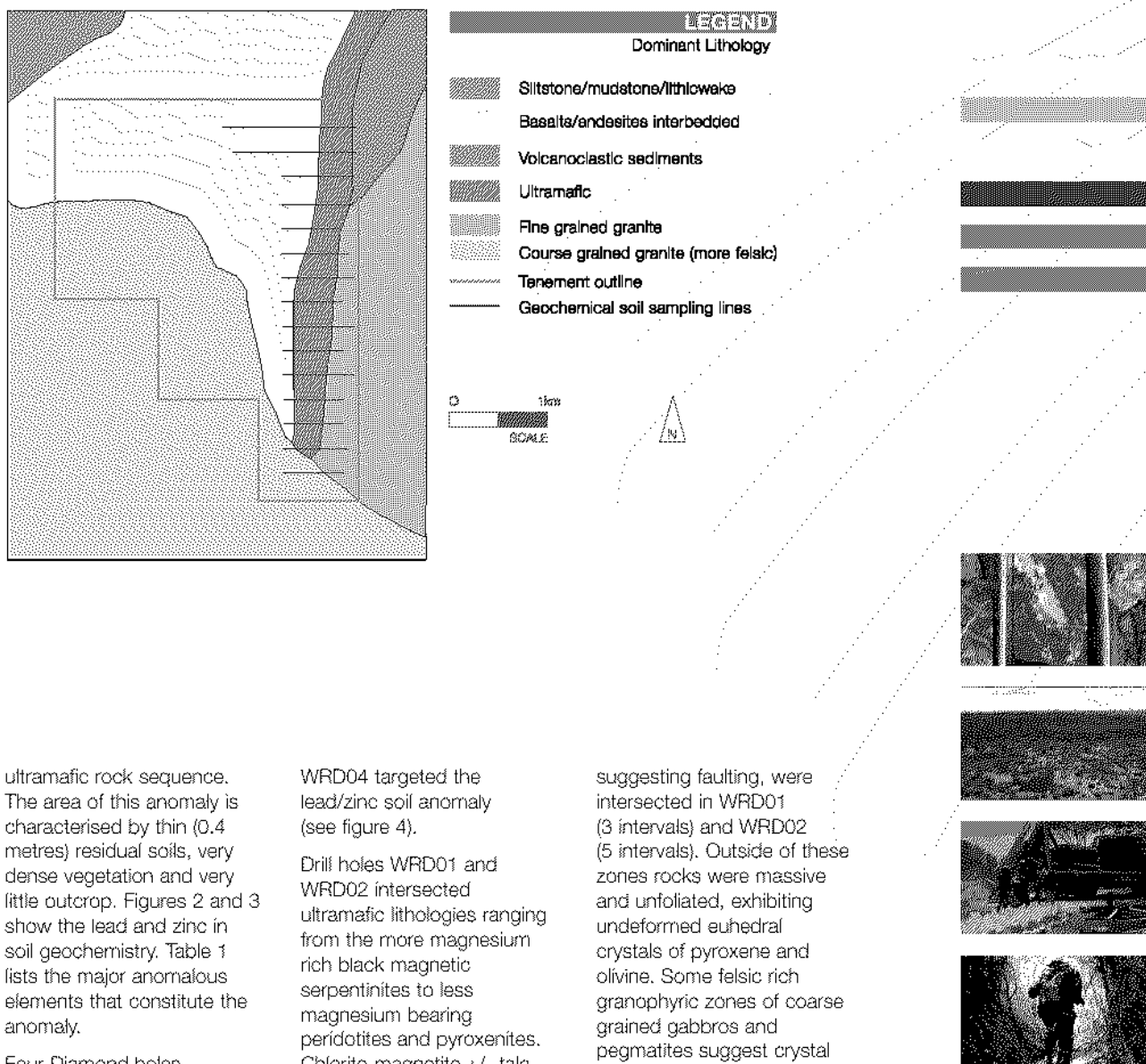
2005/06 Work Program

In 2005, Jaguar had developed an exploration program to target an analog of the granite/ultramafic-related nickel mineralisation that is present in the Avebury district, some 50km to the south. At Wilson River a program of 15 soil sample lines was completed over a Cambrian-Ordovician mafic and ultramafic rock

sequence containing lithologies similar to those seen at Avebury (Figure 1). Some 214 samples were submitted for 36 element analysis by ICPMS. Results from this survey delineated a 2000m long nickel, cobalt and chromium geochemical soil anomaly. The area of the anomaly is characterised by thin residual soils, very dense vegetation and sparse outcrop. The aeromagnetic data image suggests the ultramafic rocks contain abundant magnetite which is also analogous to the Avebury nickel deposit.

Statistical leveling, processing and interpretation of the same soil geochemistry data identified a new, previously unrecognised, lead (Pb), zinc (Zn) and silver (Ag) anomaly, positioned just 250 metres east of the nickel in soil anomaly. This Pb-Zn-Ag geochemical anomaly has a strike length of 2.8 kilometres and straddles the north south orientated geological contact between granite, known as the Meredith Granite, and the

Figure 1> Wilson River Geological map, showing geochemical soil sampling lines.



ultramafic rock sequence. The area of this anomaly is characterised by thin (0.4 metres) residual soils, very dense vegetation and very little outcrop. Figures 2 and 3 show the lead and zinc in soil geochemistry. Table 1 lists the major anomalous elements that constitute the anomaly.

Four Diamond holes (WRD01-WRD04) were drilled for a total of 405.2m. WRD01 and WRD02 evaluated the nickel in soil anomaly while WRD03 and

WRD04 targeted the lead/zinc soil anomaly (see figure 4).

Drill holes WRD01 and WRD02 intersected ultramafic lithologies ranging from the more magnesium rich black magnetic serpentinites to less magnesium bearing peridotites and pyroxenites. Chlorite-magnetite +/- talc stockworks and veining was ubiquitous throughout both holes. 2-3 metre wide very broken zones of brecciation and slickensiding,

suggesting faulting, were intersected in WRD01 (3 intervals) and WRD02 (5 intervals). Outside of these zones rocks were massive and unfoliated, exhibiting undeformed euhedral crystals of pyroxene and olivine. Some felsic rich granophyric zones of coarse grained gabbros and pegmatites suggest crystal differentiation of the magma occurred. Only rare sulphides (pyrite) were noted. Assays for WRD01 and WRD02 showed that significant mineralisation was not intersected with no assays exceeding 0.25% Ni.

Table 1> Element summary of soil geochemistry anomaly

Element	Maximum, ppm	Average, ppm
Pb	max 10,000	mean 1485
Zn	max 1185	mean 650
Ag	max 3	mean 1.3
Cu	max 106	mean 25
Sn	max 156	mean 12
W	max 114	mean 12

Figure 2> Soil geochemistry outlines a 2.8 km long zinc anomaly. Aerial magnetics, Wilson River.

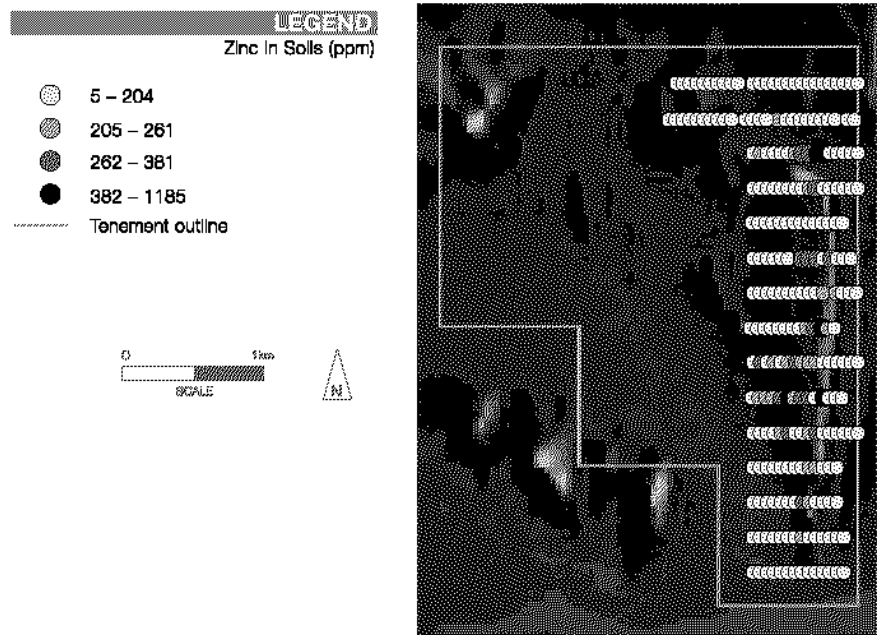


Figure 3> Soil geochemistry outlines a 2.8 km long lead anomaly. Aerial magnetics, Wilson River.

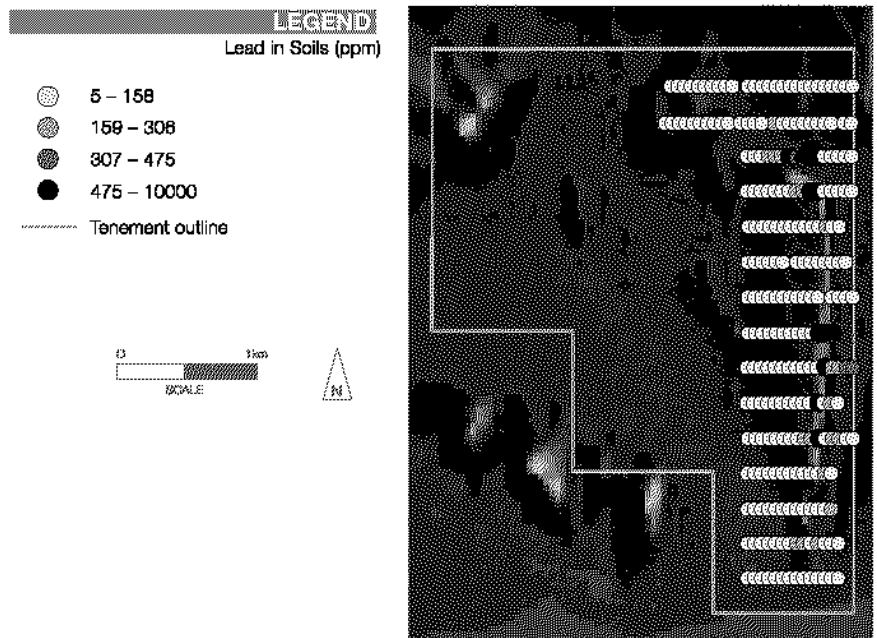
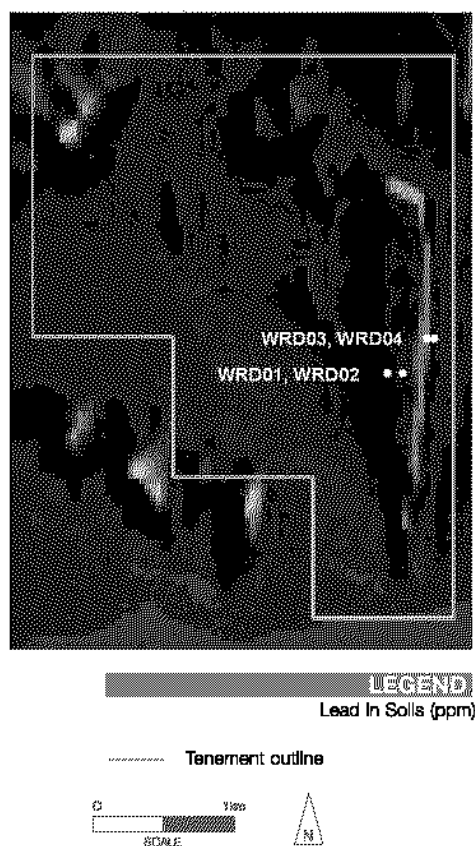


Table 2> Results from lead-zinc drill holes at Wilson River Tasmania

Hole ID	From (m)	To (m)	Width (m)	Significant Assays, Zinc > 0.5% cut off	Significant Assays, Lead > 0.5% cut off	Significant Assays, Silver > 10ppm cut off
WRD03	49	50	1	0.01*	0.03*	23.80
	50	51	1	0.85	0.83	39.70
	51	52	1	2.51	1.04	22.40
	65	68	3	5.20	0.72	21.43
	incl	65	66	7.02	0.27*	29.50
	66	67	1	6.98	1.36	22.10
	67	68	1	1.60	0.53	12.70
	69.8	71	1.2	1.48	0.23*	3.40*
	86	88	2	2.90	1.39	18.20
	incl	86	87	1.10	0.08*	1.00*
WRD04	87	88	1	4.70	2.69	35.40
	90	91	1	2.19	0.70	4.90*
	78	79	1	1.12	0.04*	0.80*
	79	80	1	2.15	0.03*	12.70

* Numbers in italics indicate assays less than the cut off.

Figure 4> Wilson River May 2006 Diamond drill hole locations.



WRD03 (Depth to 92.6m, drilled -60 degrees to the east) intersected 5 separate intervals assaying more than 1% zinc and each displaying visible coarse grained sphalerite and galena (Table 2). WRD04 (depth to 90.6m, drilled -60 degrees to the west, along the same gridline) also intersected anomalous Zn and Pb in pervasively potassium altered porphyritic granite. Silver has a maximum assay of 39.7 g/t in WRD03.

Both the diamond drilling (WRD03 and WRD04) and the lead zinc soil anomaly represent an exciting new discovery for Jaguar Minerals with the latter suggesting significant strike potential exists within the project area. With WRD03 terminating in a mineralised and pyritic interval at 92.6m (see figure 5 and 5a), potential is also evident across the dip of the rocks. Jaguar believes that this is a significant exploration target.

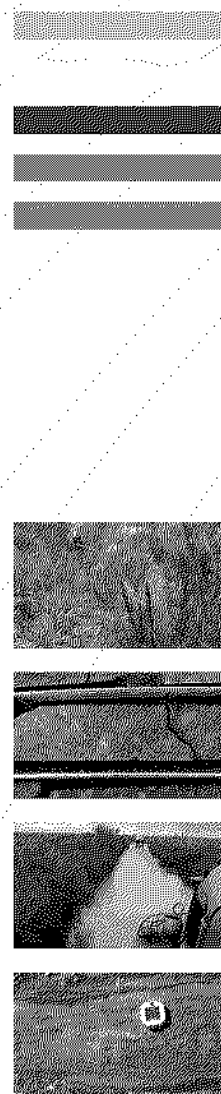


Figure 5> Drilling Cross section, with holes WRD03, WRD04 targeting the zinc/lead soil anomaly.

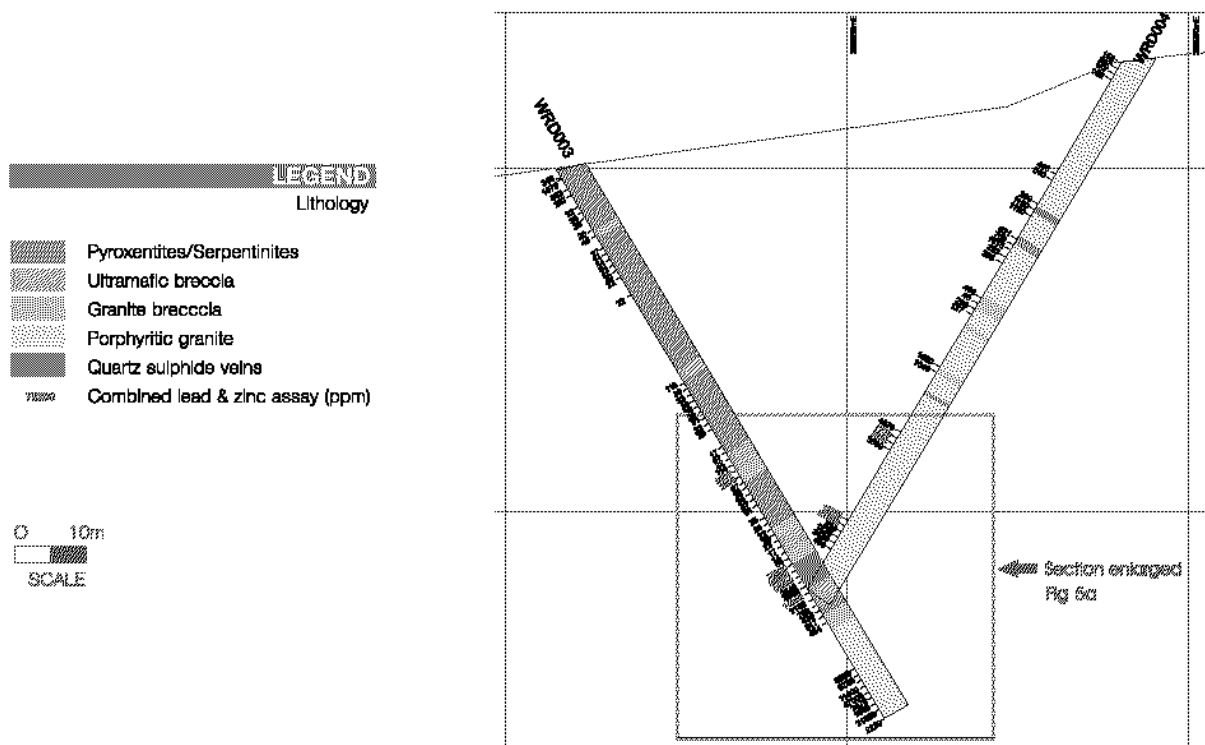
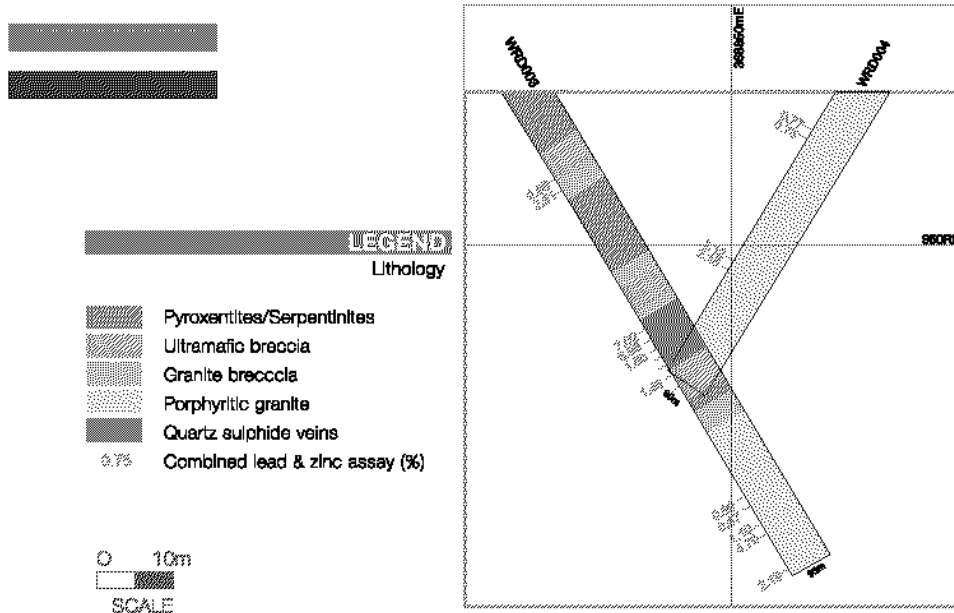


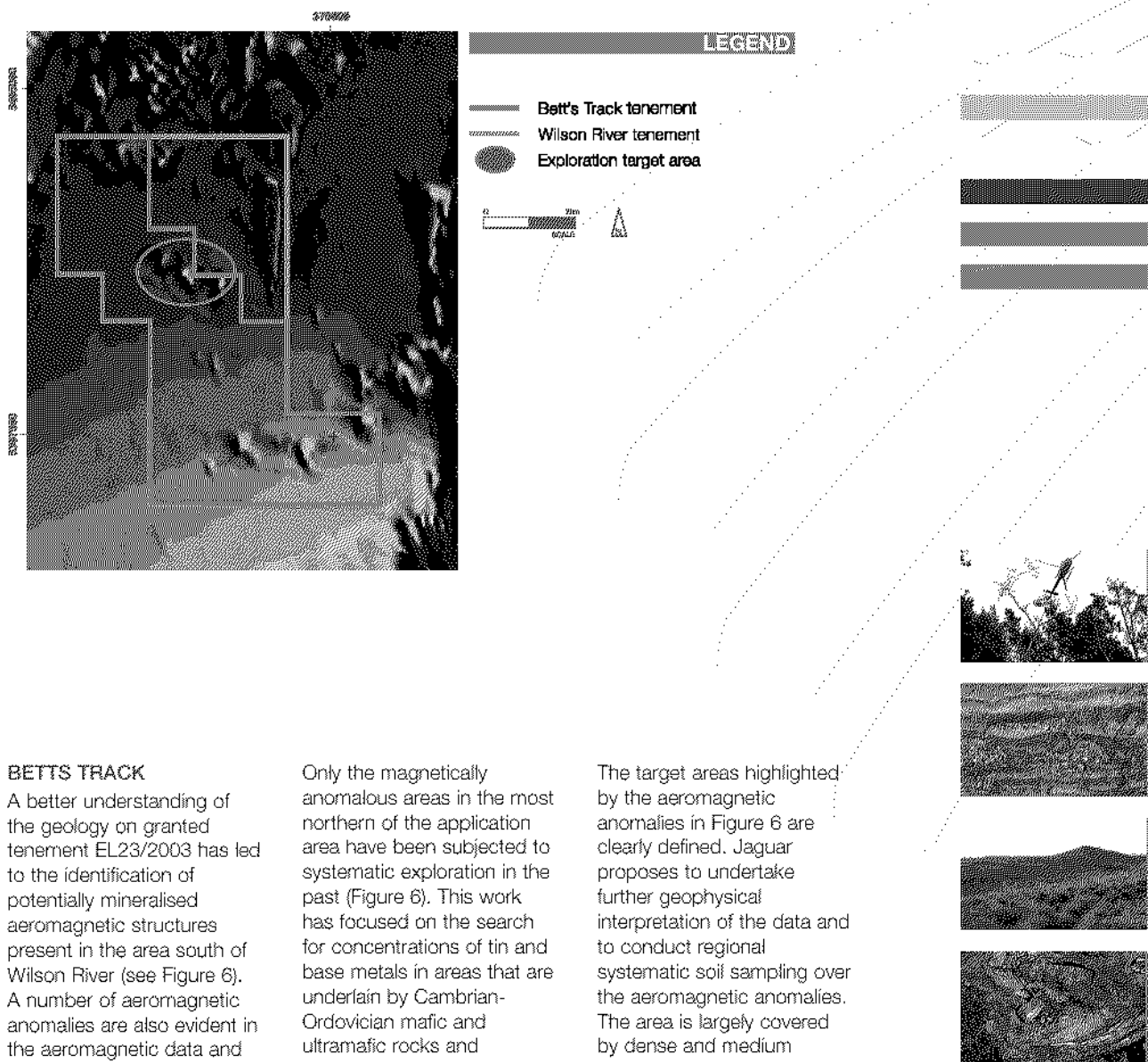
Figure 5a> Enlargement of drilling Cross section, of holes WRD03, WRD04.



Proposed 2006/07 Work Program

Work at Wilson River is now focused upon locating massive sulphide and high metal tenor mineralisation within the 2.8 kilometre long geochemical anomaly. The follow up drill program, planned for the second quarter of this year, is of the highest priority for Jaguar. Twelve diamond holes totaling 1700 metres in five equally spaced drill traverses drilled along the length of the geochemical anomaly are planned. To refine the search for massive sulphides, Induced Polarisation (IP) geophysics may be employed, following diamond drilling.

Figure 6> Betts Track tenement area over the aeromagnetic image.



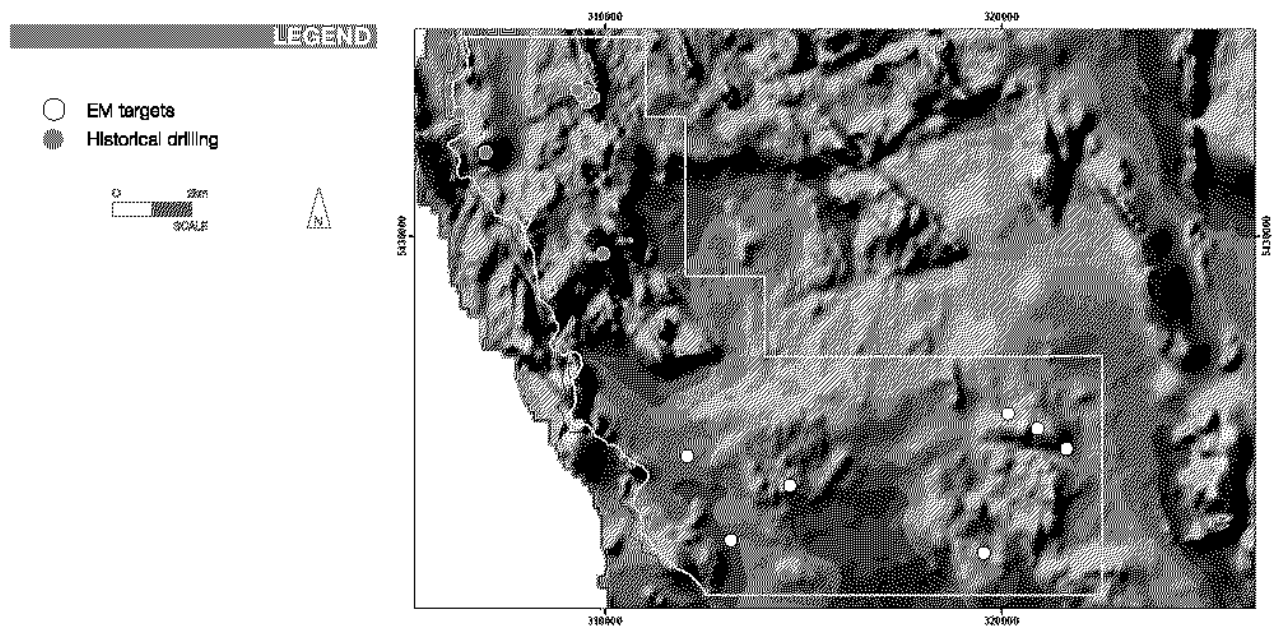
BETTS TRACK

A better understanding of the geology on granted tenement EL23/2003 has led to the identification of potentially mineralised aeromagnetic structures present in the area south of Wilson River (see Figure 6). A number of aeromagnetic anomalies are also evident in the aeromagnetic data and Jaguar Minerals has applied for an exploration license over this ground. This application is expected to be granted in October 2006.

Only the magnetically anomalous areas in the most northern of the application area have been subjected to systematic exploration in the past (Figure 6). This work has focused on the search for concentrations of tin and base metals in areas that are underlain by Cambrian-Ordovician mafic and ultramafic rocks and sediments. Base metal anomalism was present in several areas of the stream sediment sampling. Aeromagnetic anomalies within the granite terrain in the central and southern portions of the application area have not been explored.

The target areas highlighted by the aeromagnetic anomalies in Figure 6 are clearly defined. Jaguar proposes to undertake further geophysical interpretation of the data and to conduct regional systematic soil sampling over the aeromagnetic anomalies. The area is largely covered by dense and medium forest. Although this program is at the earliest exploration phase, the success or failure of this program will become evident rapidly. If soil sampling identifies significant geochemical anomalies, diamond drilling will be required. However, in order to minimise any damage to the environment Jaguar will employ heli-portable diamond drilling rigs.

Figure 7> Location of Temma EM Anomalies and areas of previous drilling.



TEMMA

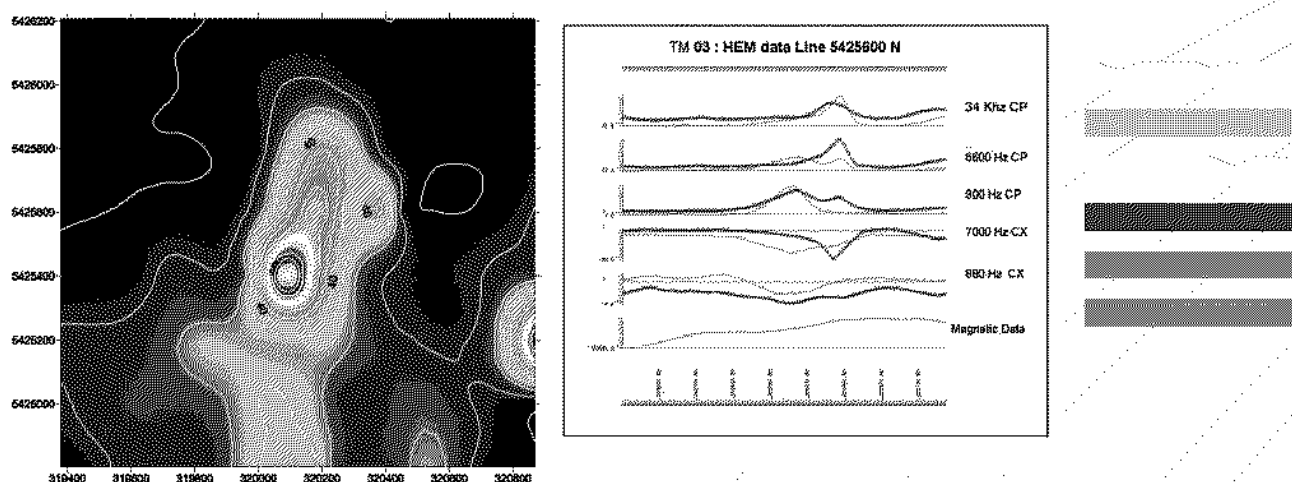
Background

In early 2002, a detailed helicopter electromagnetic (EM) survey was carried out over the Balfour and Temma areas by Mineral Resources Tasmania (MRT) as part of the Western Tasmanian Regional Minerals Program (WTRMP). Data was acquired with the Geotech Hummingbird System. The resultant data were released in mid 2002 (Mineral Resources Tasmania, 2002). As a result of the data set Jaguar Minerals Ltd was attracted to this area and commenced work in 2004. Jaguar Minerals Ltd had been actively exploring the Balfour area and has undertaken ground geophysical programs and a diamond drilling program in the recently relinquished EL4/2002.

In the Temma area, seven strong discrete Electro magnetic (EM) anomalies, (see figures 7 and 8) are evident in the MRT data. These anomalies have never been explored by modern ground based techniques and Jaguar Minerals has applied for and been granted an exploration license over this ground (EL27/2005). The nature of the EM response in the Temma area is different to the EM response in the Balfour area. Conductors are generally discrete and isolated as opposed to long stratabound conductors observed in the Balfour area. Drilling of the latter has indicated that the Balfour conductors are derived from conductive carbonaceous units.

In the north-west Temma area, strong magnetic responses have been investigated for both copper and gold associated with magnetite at the Nelson River, Strickland, Little Eel and Possum Creek prospects by Pickands Mather and Pacific-Nevada. Figure 7 illustrates the location of all past drilling within the area covered by the Temma licence. There is historic copper production at Strickland; copper anomalism was confirmed at Nelson River and Little Eel Creek, and gold at Strickland and Possum Creek (Turner, 1999 and 2000).

Figure 8> Contouring, imaging and phase profiles of one of the seven Temma EM anomalies.



Genetic models for mineralisation applicable in the Temma area include:

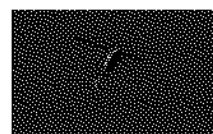
- Structurally controlled Nifty style copper mineralisation within the carbonaceous Proterozoic Rocky Cape sediments.
- With granitic rocks interpreted to exist at depth and to the south of the tenement (from Turner, 1999 and 2000), a structurally controlled high temperature Iron Oxide hosted Copper – Gold model within Proterozoic Rocky Cape sediments is applicable. As several of the EM anomalies overlay aeromagnetic highs, suggesting magnetite bearing stata, (Figure 7), this model is quite relevant to the Temma project area.

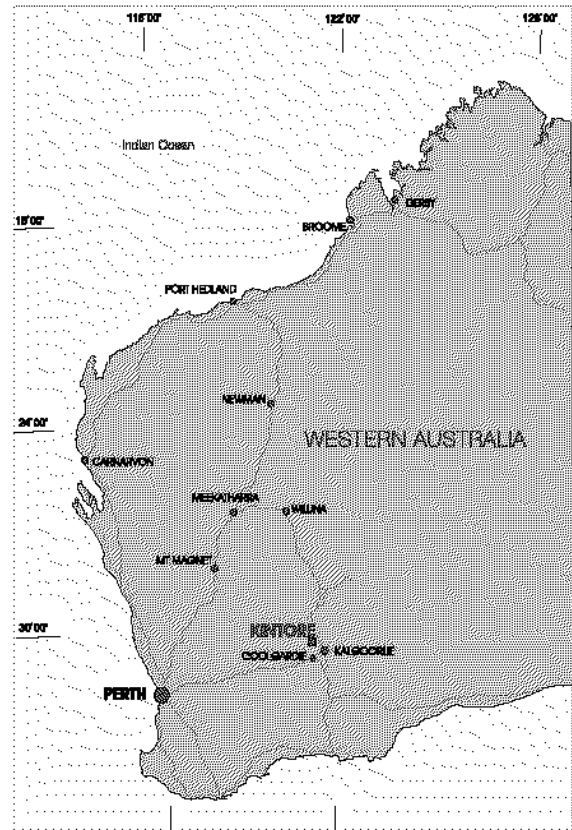
- Statabound base metal mineralisation within the reduced and graphitic Proterozoic sediments.

Work program

The strong and excellent discrete EM anomalies appear to be isolated 3D conductive bodies and represent clearly defined drilling targets. Jaguar proposes to undertake further geophysical interpretation of the data followed by soil sampling of the priority EM targets. Orientation soil sampling / partial leach soil sampling will be conducted over known mineralisation at Nelson River to confirm that the acidic soils are amenable and responsive to soil geochemistry.

Following confirmation of the orientation surveys each of the discrete EM anomalies will be subjected to soil geochemistry. Any geochemical anomalies generated will then be diamond drilled. The area is largely covered by button grass plains with associated low relief and a cover of peat.





WESTERN AUSTRALIA

KINTORE

The Kintore project is located in the Eastern Goldfields of Western Australia approximately 500km ENE of Perth and 45km NW of Kalgoorlie. The project comprises a group of contiguous prospecting licences and mining leases with a total area of 725ha (7.25km²). Jaguar has a 100% interest in 3 prospecting licences covering 449ha and has an option to purchase

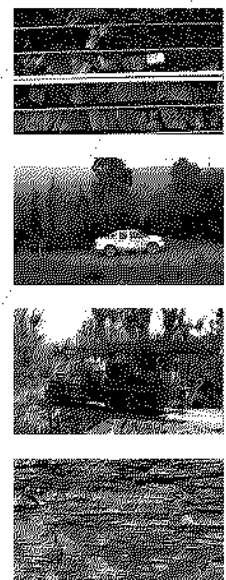
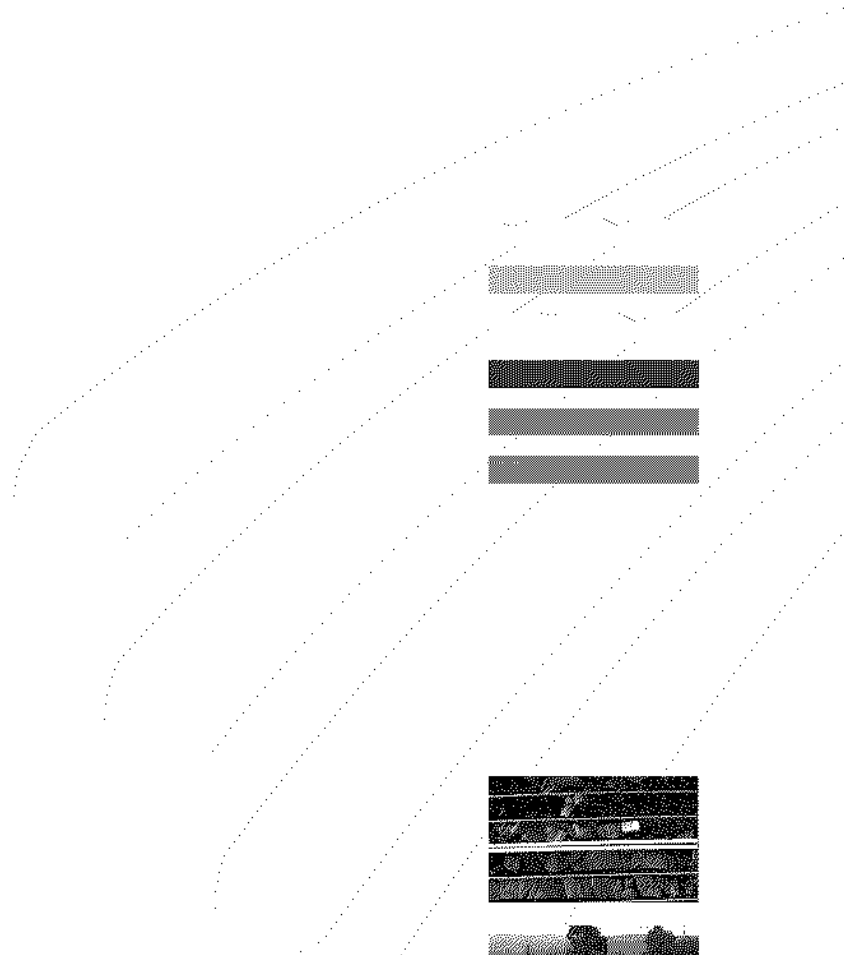
agreement with Mr Kevin Pavlinovich concerning one prospecting licence and 3 mining leases.

The tenements cover a significantly mineralised portion of an intrusive granitoid known as the Kintore Tonalite. The area has produced approximately 50,000oz gold, mainly from the "alluvial" cement leads, with gold production still occurring from bedrock quartz veins as low tonnage, high grade parcels. The Sugarloaf area represents the most significant

mineralisation within Jaguar Minerals Kintore project. Gold distribution in the Kintore Tonalite is thought to be controlled by extensional faulting orientated ENE developed in response to movements along NNW trending structures sub-parallel to the Kunanalling Shear. The Sugarloaf, also known as Mick's Lode, is thought to be an example of an ENE tensional structure. Previous drilling programs have yielded encouraging results which are shown in Table 3.

Table 3> Results from previous drill programs, Kintore.

Hole No.	From	To	Interval	Gold g/t
KP06	23	36	13	3.21
KP11	16	50	34	1.60
incl.	16	24	8	3.44
	45	50	5	3.24
KP17B	36	41	5	20.00
incl.	38	39	1	94.50
KP18	37	50	13	1.47
KP19	26	49	23	2.14
incl.	26	29	3	9.68
KP43	58	74	16	2.44
incl.	72	72.5	0.5	57.07
KP55	28	34	6	5.07
KTR062	37	41	4	6.58
	82	84	2	15.16



The dominant geological structure in the region is the Kunanalling Shear which trends in a northwest – southeast direction along the northeastern margin of the Bali Monzogranite and is interpreted to bifurcate around the Kintore Tonalite. Although the tonalite is usually magnetically quiet, it becomes magnetically anomalous at its northern end where Jaguar's tenements are located.

Gold mineralisation has been identified in three geological settings in the Kintore – Kunanalling region.

- along the Kunanalling Shear

- near the granite-greenstone contact
- within the granitoid.

Numerous old gold workings, dated from prospecting in the early 1900s, exist along the extent of the Kunanalling shear zone. Discoveries in the last twenty years have lead to several open cut mining operations for example, the Catherwood and Premier pits in 1988 and 1994 respectively, and the Kiara and Bluebell pits, in 1992. More recent discoveries include Picante and Outridge deposits located just three and five kilometres south of the Kintore project area.

2005/06 Work Program

Eight RC holes were drilled over the eastern end of the Sugarloaf prospect in 2004. Sporadic lower gold grades were encountered over the whole length of most holes. Several broad low grade zones were encountered e.g. Hole KNT016 – 28m @ 1.21, and KNT019 – 17m @ 0.98 and KNT023 – 28m @ 0.73. Within these broad zones discontinuous higher grade intervals occur as tabulated in table 4 on page 14.

Figure 9> Gold in soil contours that have been generated by the soil sampling programs.

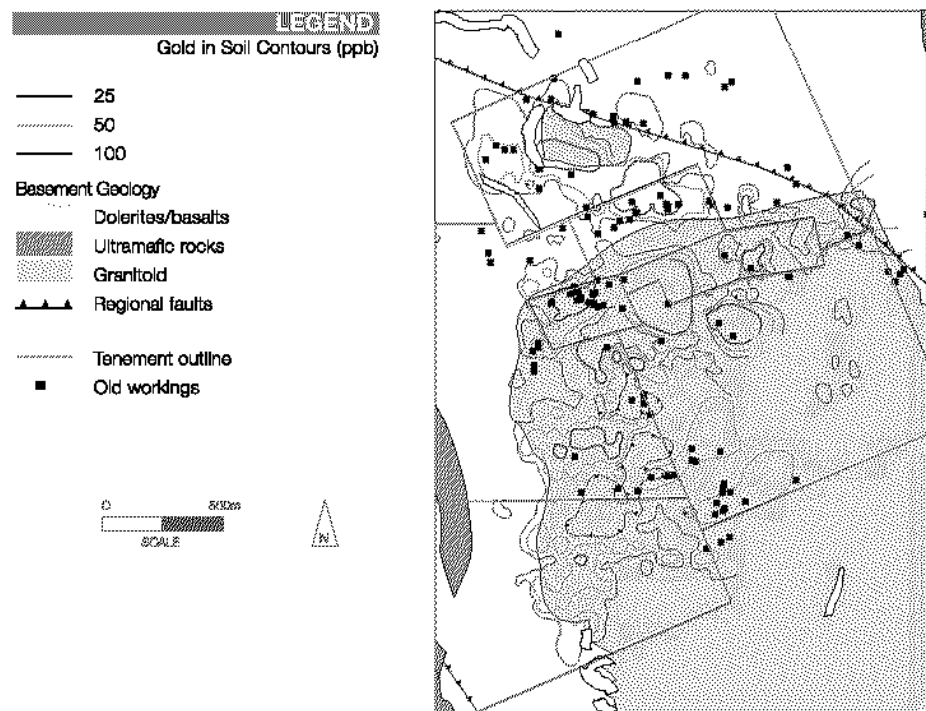
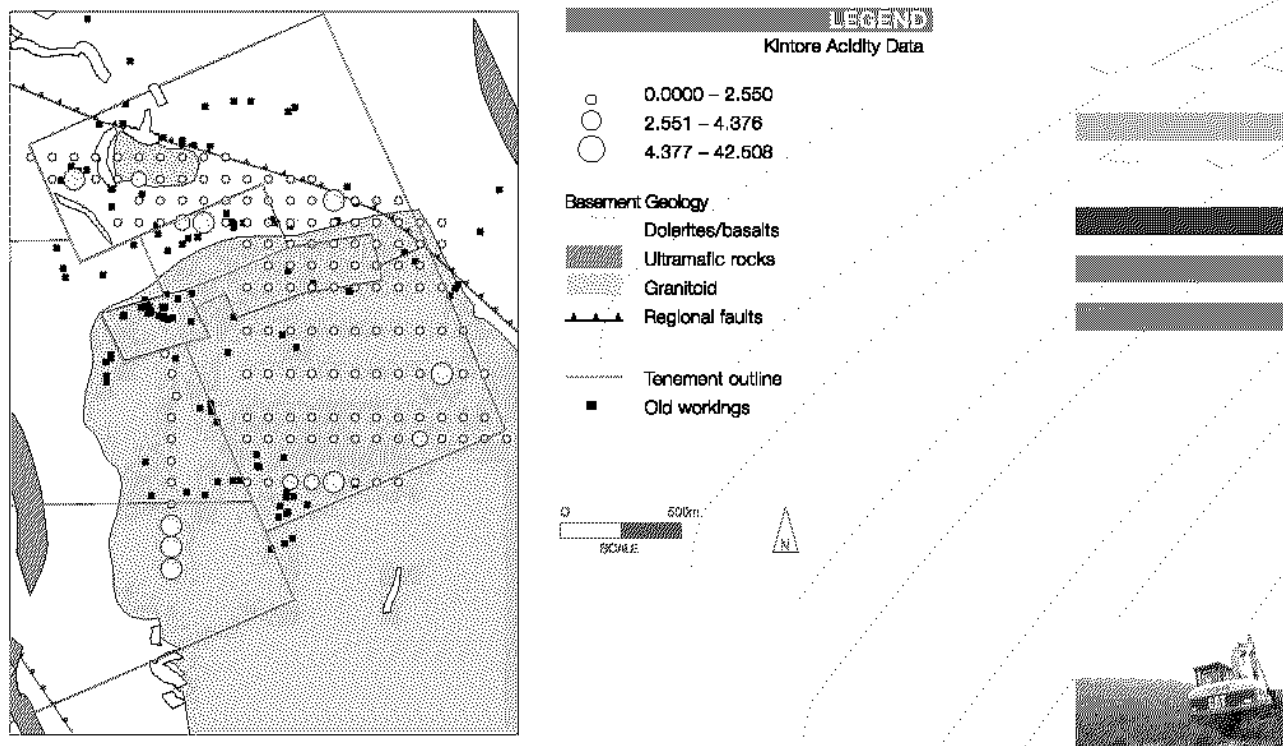


Table 4> Higher gold grades were within the larger zones of low grade mineralisation.

Hole No	Amg_East	Amg_North	Intercept No.	From (m)	To (m)	Gold Intersection (g/t)
KNT016	309103	6614050	1	42	45	3m @ 1.15
	309103	6614050	2	49	51	2m @ 3.21
	309103	6614050	3	55	58	3m @ 5.13
	309103	6614050	4	95	97	2m @ 2.25
KNT018	309131	6614040	1	18	21	3m @ 2.30
	309131	6614040	3	88	90	2m @ 5.78
KNT019	309142	6614060	1	36	38	2m @ 3.66
	309142	6614060	3	59	63	4m @ 1.12
KNT020	309155	6614100	1	38	44	6m @ 3.76
KNT021	309168	6614060	1	79	85	6m @ 2.47
KNT022	309150	6614040	1	72	75	3m @ 2.65
KNT023	309138	6614020	1	40	42	2m @ 2.05
	309138	6614020	2	54	57	3m @ 1.26
	309138	6614020	3	101	103	2m @ 3.27

Figure 10> Soil acidity results highlight several prospective areas.



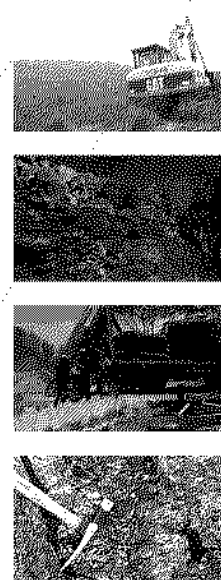
During 2005 Jaguar Minerals undertook an auger sampling program over the northern portion of the Kintore granitoid. Three hundred and seventy auger samples were collected from the upper saprolite below a thin 1 to 5m thick transported cover of red clay. These samples covered the northern portion of the Kintore granitoid. The resulting gold (Au) assays define an 800m long, 200m wide NW trending zone of anomalism above 50 ppb Au. A maximum assay of 875 ppb is reported. This represents the only gold anomalism located at Kintore

over greenstone rocks as opposed to the granitoid mineralisation defined by previous work. A number of erratic anomalies are defined in the eastern portion of the sampling area. In these areas a number of adjacent samples have reported assays above 1000 ppb Au (Figure 9).

To refine and discriminate between gold in soil anomalies, further geochemical tests were undertaken across the tenement area. These tests identified anomalies which suggest the presence of buried oxidising sulphides

(Figure 10). Sulphides in the Kunanalling gold deposits include arsenopyrite and pyrite. The data from the gold assaying and the sulphide tests corresponded in four areas.

Aircore drilling started at Kintore in late July 2006. Drill traverses were strategically planned to evaluate the soil anomalies of Figure 9 that are supported by the anomalies of Figure 10. Results from this work are due to be released in October 2006.



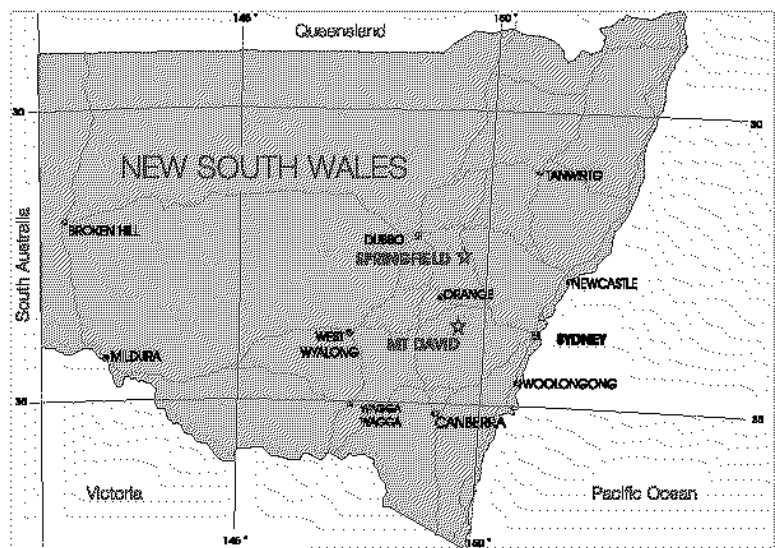


Figure 11> Regional Geology and the location of the IP Survey and RC Drilling.

NEW SOUTH WALES

MT DAVID

The Mt David tenement is located in New South Wales approximately 35km south of Bathurst and consists of one exploration licence covering 163km². The project is 100% owned by Jaguar Minerals. Paradigm Gold Ltd has taken up an option to earn 25% of the project by spending \$200,000 on exploration. Once they have earned 25% they have the option to earn an additional 25% joint venture interest (to total 50%) by spending a further \$250,000.

2005/2006 Work Program

Exploration to date at Mt David has targeted the Cadia/Ridgeway styles of copper/gold intrusive related mineralisation within Ordovician volcanic rocks. Work conducted has included completion and interpretation of an IP geophysical survey, sampling and assaying of 97 soil and auger samples, and the drilling of nine RC percussion drill holes and 1 diamond tail.

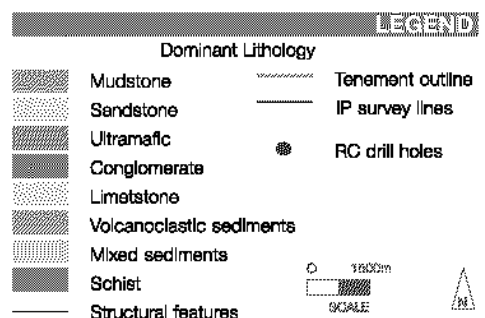
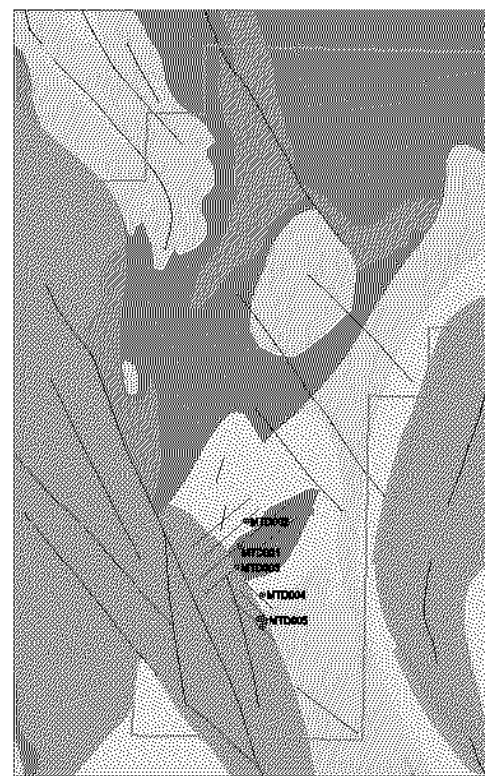
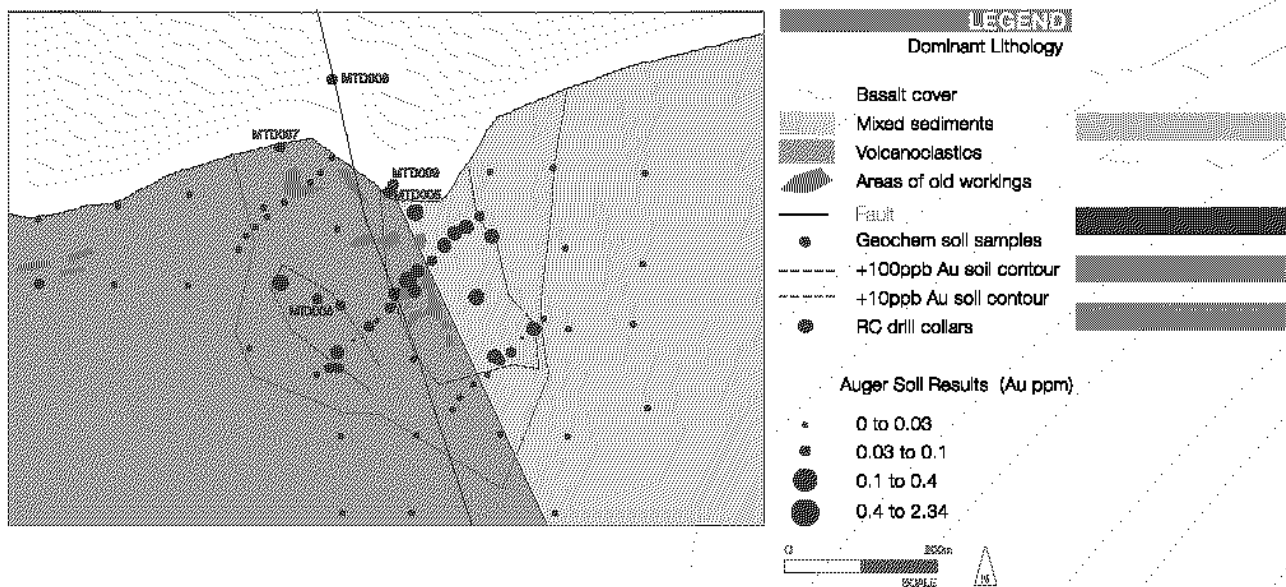


Figure 12> Soil geochemistry highlights gold anomalism extending to the north towards the thin Basalt sheets.



Dog Rocks prospect

At "Dog Rocks", four RC holes (MTD001 – MTD004) evaluated IP anomalies generated from the 2005 IP survey, (figure 11). This survey was discussed in the 2005 Annual Report. The survey covered a blind magnetic and radiometric anomaly associated with a major NNW trending structural zone known as the Mt David structural corridor. Rocks are interpreted to be mafic volcanoclastics and minor porphyry dikes belonging to the Middle to Late Ordovician Rockley Volcanics.

The data from the first four IP lines delineated strong chargeability anomalies on all lines. The strength of the responses is consistent with the magnitude of responses from buried porphyry style mineralised systems in the region. Inversion of the magnetic data places a blind magnetic body at about 150m below surface. The IP data indicates a chargeable body at a similar depth. In general the chargeability anomalies correspond with

areas of low conductance.

This response would be consistent with disseminated sulphides within silicified units.

Porphyry-style potassic alteration was intersected in the three wide-spaced drill holes (MTD001-MTD003) at "Dog Rocks". Potassic alteration is significant because of the typically close association with high-temperature gold-copper mineralisation, for example at Cadia-Ridgeway. Potassic alteration consists of pervasive brown biotite-actinolite- albite- calcite-pyrrhotite with other subordinate phases. Potassic alteration has also affected the probable Silurian-age carbonate rocks in MTD002, suggesting the alteration event is younger than early Silurian. Significant gold or copper mineralisation is yet to be intersected in this area, but rare chalcopryite and sphalerite was observed by petrography. MTD004 did not penetrate the basalt cap and was stopped at 102m.

Mt David Line of Lode

Lode gold mineralisation was explored at the "Mt David" prospect. The old Mt David mine produced around 27,000 oz at 13 g/t during the late 19th and early 20th centuries. The site has now largely been rehabilitated, with several collapsed depressions the only evidence of previous mining activity. Quartz lodes at Mt David occur at the contact between hanging-wall phyllite sediments belonging to the Silurian Campbells Formation, and footwall felsic volcanoclastics of the slightly older Belis Creek Volcanics. The contact between the two rock facies was intersected in drill holes MTD005 and MTD009.

Soil sampling was conducted around the old Mt David mine to determine the extent of gold mineralisation. In Figure 12, a 400m by 200m gold anomaly (+15ppb) abuts against the edge of a Tertiary basalt outlier suggesting that mineralisation may continue under the basalt.

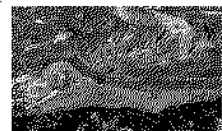


Figure 13> Drill hole cross-section showing MTD005 and MTD009 intersecting gold mineralisation.

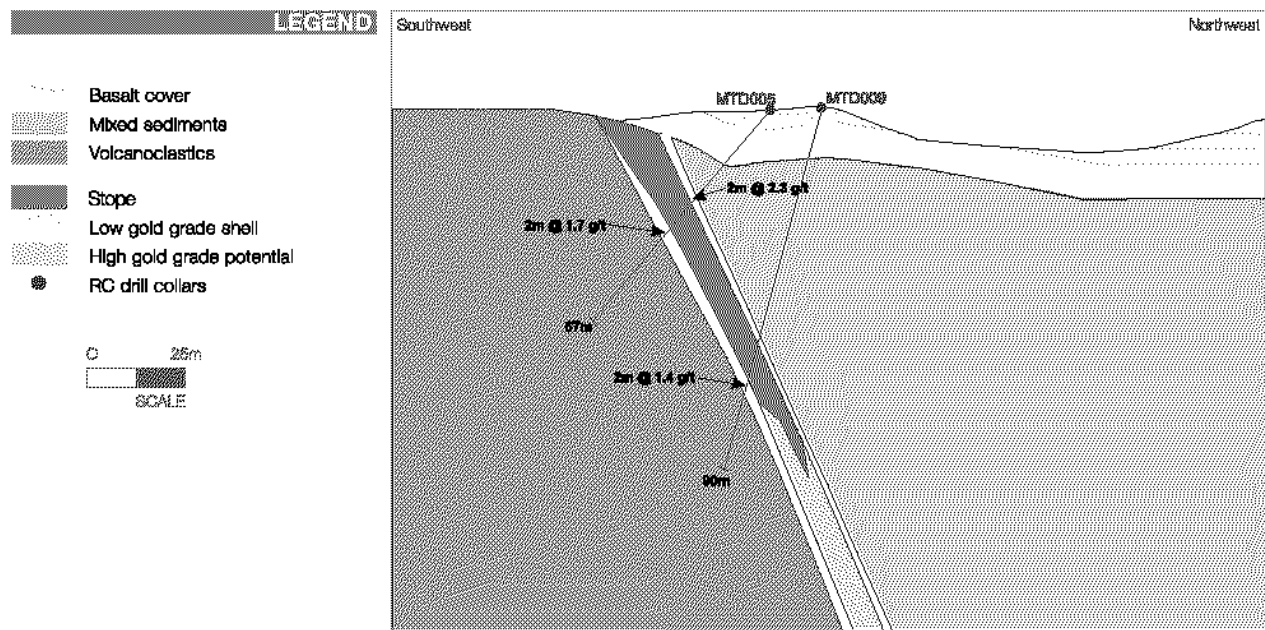


Table 5> Significant drill assays from Mt David drilling program.

Hole No	Depth from (m)	Intercept (m)	Au assay (g/t)	True width of mineralised interval including stope, (m)
MTD005	28	2	2.3	12 (See Figure 13)
MTD005	40	2	1.7	12 (See Figure 13)
MTD006	64	4	0.3	
MTD007	28	4	0.4	
MTD009	66	2	1.4	8 (See Figure 13)

Five RC drill holes were drilled to test the geochemical soil anomalies and the strike extension of the Mt David line of lode (Figure 12). The most significant results have come from two close-spaced holes drilled near the northern end of the line of lode. MTD005 and MTD009 intersected previously unknown underground workings several metres in width at 25m and 60m vertical depth, respectively. The best intercepts were 2m at 2.3g/t gold from 28m and 2m at 1.7g/t gold from 40m depth in MTD005. Stopes in both holes were around 5m wide, suggesting an original pre-mining mineralised width in MTD005 of 12m. Gold mineralisation is hosted by quartz-carbonate veins with

potassic sericite alteration emplaced in a fault at the contact between felsic volcanoclastics and phyllite. The contact dips to the northeast at about 60 degrees. See Figure 13.

MTD007 and MTD008 were drilled 150m further to the northwest from MTD005 to test the potential for mineralisation under the basalt. Unfortunately the lode position was not intersected due to an unanticipated steepening of the volcanic-phyllite contact. MTD007 encountered narrow low-grade mineralisation within the felsic volcanoclastics beneath the basalt cap, but drilled on top of the favourable contact. Significant assays are tabulated in Table 5.

Proposed 2006/2007 Work Program

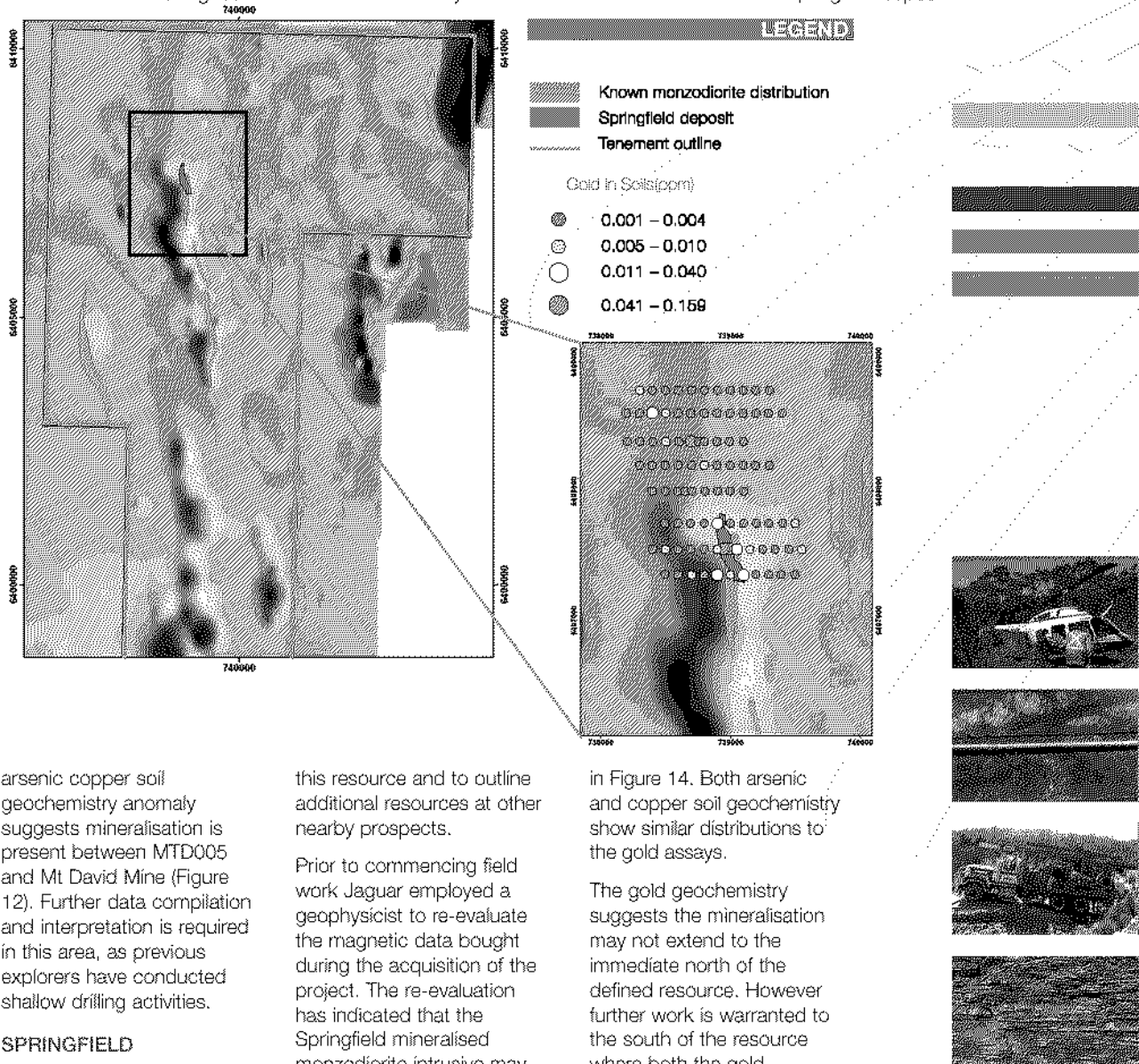
While an economic drill intersections has not been made to date, potential exists for both porphyry and lode gold styles of mineralisation within the tenement.

Indications of the potential for porphyry style mineralisation include:

- potassic alteration of volcanic rocks
- porphyry intrusive dykes
- untested magnetic and radiometric anomalies

Further drilling is required to test the depth potential for a quartz lode style of gold mineralisation underneath MTD009, and along strike, to the northwest. Additionally a robust and coherent gold

Figure 14> Location of the Springfield deposit in relation to the aeromagnetic image and the distribution of monzodiorite units. Inset: Soil geochemical results show only minor extensions to the north of the Springfield deposit.



arsenic copper soil geochemistry anomaly suggests mineralisation is present between MTD005 and Mt David Mine (Figure 12). Further data compilation and interpretation is required in this area, as previous explorers have conducted shallow drilling activities.

SPRINGFIELD

The Springfield Project is 100% owned by the Company. The exploration licence has an area of 139km² and is located approximately 220km north-west of Sydney between the towns of Mudgee and Gulgong. Jaguar has a royalty agreement over the Springfield resource and a surrounding area of about 11km².

2005/06 Work Program

Jaguar Minerals has focused its initial exploration work on the Springfield deposit itself. The Springfield deposit has an inferred resource of 47,000oz gold within an Ordovician monzodiorite sill. There is potential to increase

this resource and to outline additional resources at other nearby prospects.

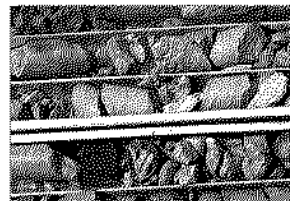
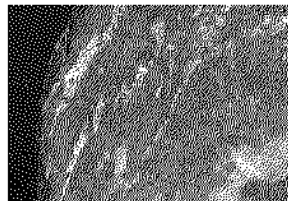
Prior to commencing field work Jaguar employed a geophysicist to re-evaluate the magnetic data bought during the acquisition of the project. The re-evaluation has indicated that the Springfield mineralised monzodiorite intrusive may be larger than previously thought. A magnetic anomaly associated with the known intrusive extends 4km to the south, see figure 14.

The Springfield deposit is located within an intrusive monzodiorite rock on a linking structure between two major north south structures. This structural situation is repeated several times in a 500m wide north-south corridor extending south from the Springfield deposit (see figure 14).

In 2006 a geochemical soil sampling program was conducted over the Springfield resource. The gold soil geochemistry is illustrated

in Figure 14. Both arsenic and copper soil geochemistry show similar distributions to the gold assays.

The gold geochemistry suggests the mineralisation may not extend to the immediate north of the defined resource. However further work is warranted to the south of the resource where both the gold geochemistry and the Monzodiorite distribution suggests further potential for mineralisation.



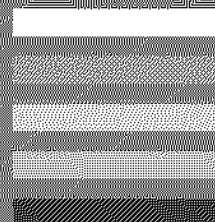
CONCLUDING REMARKS

Jaguar's portfolio of quality projects offers exposure to the exploration for a variety of target commodities in a variety of geological environments. This diversification offers protection and a spreading of risk against any unexpected downturn in world commodity markets.

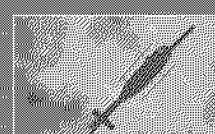
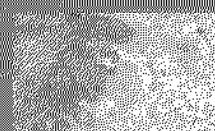
All the projects discussed above offer realistic possibilities for an economic discovery of the target commodity. However Jaguar believes the Wilson River

area and the Temma Project, both in western Tasmania, offers the better potential to discover economic mineralisation. Wilson River is a virgin discovery of base metal mineralisation currently defined by only two very shallow drill holes. An apparent strike length of the mineralisation of 2.8 kilometers is indicated by both anomalous soil geochemistry and a well defined geological structure clearly seen on the aeromagnetic image.

Seven quality and previously unexplored electromagnetic conductors that are spatially associated with magnetic anomalies have been defined at Temma. Relatively inexpensive geological reconnaissance and soil sampling will quickly reveal the mineralisation potential of these targets. Drilling will commence in 2007 if any of the EM conductors are identified to be geochemically anomalous.

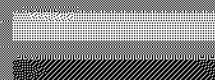


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annual financial report
for the year ended 30 June 2006



directors' report



Your directors submit their report for the year ended 30 June 2006.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as below. Where applicable, all directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Brian J Hurley, AWASM, MAusIMM (Chairman)

Mr Hurley is a mining engineering graduate of the Western Australian School of Mines. Between 1965 and 1990 he was employed by Western Mining Corporation Ltd in many roles including General Manager – Nickel Division and Senior General Manager – W.A.

During this time he held the position of Vice-Chairman of the Toronto based Nickel Development Institute and also sat as Vice-President of the Western Australian Chamber of Minerals and Energy. He has been chairman or a director of a number of junior mining and exploration companies including Gascoyne Gold Mines NL and Defiance Mining NL.

Mr Hurley is currently Chairman of Oropa Limited (formerly Finders Gold NL) and the annual Diggers & Dealers Mining Forum. In addition, he is also a member of the Australian Institute of Company Directors. Mr Hurley has not held any former directorships in the last 3 years.

Nanette M Anderson, BSc (Hons), MAusIMM (Managing Director)

Ms Anderson is a geologist with experience in mineral exploration throughout Australia and Indonesia, as well as mine and resource management.

Her previous position with Kimberley Diamond Company Ltd encompassed managing exploration site operations, development and implementation of field program, negotiating with land owners and stakeholders and being part of a team which has brought a grass roots exploration project through to a significant mine.

Her particular areas of expertise are in the fields of design and co-ordination of mine planning, critical analysis of exploration targets, and design and resource modelling of databases.

Ms Anderson is a member of the Geological Society of Australia and has previously worked for Hartree Consulting Pty Ltd and Herald Resources Ltd. Ms Anderson has not held any former directorships in the last 3 years.

Michael P Wright,
B.Bus (Non-Executive Director)

Mr Wright has had over 20 years experience in the resource sector in a corporate and financial capacity. He is also an executive director of the Herald Resources Ltd group of companies, where he has been instrumental in the financing and management of a number of profitable mining operations.

He has previously held positions with Occidental Oil and Gas Corporation, The Griffin Coal Mining Co Pty Ltd, Haoma Mining NL, Strata Oil and Gas Company and Arthur Andersen. Mr Wright has not held any former directorships in the last 3 years.

COMPANY SECRETARY

Dennis Wilkins,
B.Bus., AICD, ACIS

Mr Dennis Wilkins is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed resource companies for over 20 years.

Mr Wilkins previously served as the Finance Director and Company Secretary for Lynas Corporation Limited and also spent five years working for a leading merchant bank in the United Kingdom. Resource postings to Indonesia, South Africa and New Zealand in managerial roles have broadened his international experience.

Mr Wilkins has extensive experience in capital raisings specifically for the resources industry and is the principal of DWCorporate which provides advisory, funding and administrative management services to the resource sector. Mr Wilkins is a director of Marengo Mining Limited, Bonaparte Diamond Mines NL and South Boulder Mines Limited. Mr Wilkins has not held any former directorships in the last 3 years.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Jaguar Minerals Limited were:

	Ordinary Shares	Options over Ordinary Shares
Brian J Hurley	50,000	325,000
Nanette M Anderson	10,000	1,605,000
Michael P Wright	50,000	25,000

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

CORPORATE INFORMATION

Nature of operations and principal activities

During the year the Company carried out exploration on its tenements and applied for or acquired additional tenements with the objective of identifying economic mineral deposits.

Employees

The Company employed 3 employees as at 30 June 2006 (2005: 3 employees).

OPERATING AND FINANCIAL REVIEW

Finance Review

Jaguar Minerals Limited (the Company) began the financial year with cash reserves of \$1.1m. In May 2006 the Company made a placement of 5 million ordinary shares to sophisticated investors to raise \$1 million. The funds raised will be applied towards a follow-up drilling project at the Company's 100% owned Wilson River project, and other work programs.

During the year total exploration expenditure incurred by the Company amounted to \$624,959. In line with the Company's accounting policies, all exploration expenditure was written off at year end. Net administration expenditure incurred amounted to \$459,461. This has resulted in an operating loss after income tax for the year ended 30 June 2006 to be \$1,044,158 (2005: \$1,208,645).

At 30 June 2006 surplus funds available totalled \$1.0m.

Operating Results for the Year

Summarised operating results are as follows:

	Revenues \$	2006 Results \$
<i>Geographic segment</i>		
Australia	40,262	(1,044,158)
Revenues and loss from ordinary activities before income tax expense	\$40,262	\$(1,044,158)

Shareholder Returns

	2006	2005
Basic loss per share (cents)	(2.9)	(3.4)

Risk Management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The group believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- * Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholder's needs and manage business risk.
- * Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In May 2006 the Company made a placement of 5 million ordinary shares to sophisticated investors to raise \$1 million. The funds raised will be applied towards a follow-up drilling program at the Company's 100% owned Wilson River project, and other work programs.

ADOPTION OF AUSTRALIAN EQUIVALENTS TO IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the group's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to AIFRS is included on Note 2 to this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, other than those disclosed at note 16, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

SHARE OPTIONS

Unissued shares

At the date of this report there are 20,460,500 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	20,110,500
Share options issued during the year	
Exercisable at 25 cents, on or before 31 December 2008	350,000
Total options issued to 30 June 2006	<u>350,000</u>
Total number of options outstanding as at 30 June 2006	<u>20,460,500</u>
Issued subsequent to year end	—
Total number of options outstanding at the date of this report	<u>20,460,500</u>

The balance is comprised of the following:

Expiry date	Exercise price	Number of options
30 Sep 2008	\$0.20 (listed)	17,860,500
31 Dec 2008	\$0.25	<u>2,600,000</u>
Total number of options outstanding at the date of this report		<u>20,460,500</u>

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Jaguar Minerals Limited against costs incurred in defending proceedings for conduct involving:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 or 183 of the Corporations Act 2001,

as permitted by section 199B of the Corporations Act 2001.

The amount of insurance premiums paid in respect of the above cover was \$12,999.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and other key management personnel of Jaguar Minerals Limited (the Company).

Remuneration policy

The remuneration policy of Jaguar Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives based on key performance areas affecting the Company's financial results. The board of Jaguar Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in employee option plans.

Performance based remuneration

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of their personal interests with shareholders interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators will be considered. For details of directors and executives interests in options at year end, refer note 19.

Employment contracts of key management personnel

For details of service agreements between directors/executives and Jaguar Minerals Limited, refer note 19.

Compensation of key management personnel for the year ended 30 June 2006

	Salary & Fees	Short-Term Cash Bonus	Non Monetary	Post Employment Super- annuation	Retirement benefits	Share-based Payments Options	Total
Directors							
Brian J Hurley							
2006	30,000	~	4,333	2,700	~	~	37,033
2005	30,000	~	~	2,700	~	11,760	44,460
Nanette M Anderson							
2006	105,231	~	4,333	9,471	~	~	119,035
2005	79,615	~	3,707	7,165	~	62,720	153,207
Michael P Wright							
2006	~	~	4,333	~	~	~	4,333
2005	~	~	~	~	~	~	~
Executives							
Dennis Wilkins (Company Secretary)							
2006	24,000	~	~	~	~	~	24,000
2005	24,000	~	~	~	~	~	24,000
Michael Busbridge (Exploration Manager – appointed 21 November 2005)							
2006	67,231	~	~	6,051	~	20,825	94,107
2005	~	~	~	~	~	~	~
Robert Seed (Exploration Manager – resigned 14 October 2005)							
2006	52,250	~	~	3,773	~	~	56,023
2005	83,461	~	~	7,511	~	13,720	104,692
Total							
2006	278,712	~	12,999	21,995	~	20,825	\$334,531
2005	217,076	~	3,707	17,376	~	88,200	\$326,359

Compensation options granted during the year ended 30 June 2006

Options are issued to key management personnel as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of key management personnel of Jaguar Minerals Limited to increase goal congruence between key management personnel and shareholders. Options granted as part of remuneration during the year are set out below. For details of key management personnel interests in options at year end, refer note 19.

	Grant date	Grant number	Vest	Value per option at grant date	Exercised Number	Value per option at exercise date	Value at date option lapsed	% of remuneration
Michael Busbridge	30/03/2006	350,000	30/03/2006	5.9 cents	N/A	N/A	N/A	22.1

DIRECTORS' MEETINGS

During the year the Company held 10 meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	B
Brian J Hurley	10	10
Nanette M Anderson	10	10
Michael P Wright	8	10

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

Performance Income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the financial year. It is the intent of the board to consider performance bonuses as part of remuneration packages when mine production commences.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on page 56.

NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditor, Stantons International or associated entities during the year ended 30 June 2006.

Signed in accordance with a resolution of the directors.



Nanette M Anderson
Managing Director

Perth, 13 September 2006

corporate governance statement

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any share holding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

The membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope

of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act 2001, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees (other than an audit committee) at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX Principles of Good Corporate Governance

The board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines 2005 with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position with regard to adoption of these principles.

	ASX Principle	Status	Reference/comment
Principle 1: Lay solid foundations for management and oversight			
1.1	Formalise and disclose the functions reserved to the board and those delegated to management	N/A	The Company has not adopted this recommendation to formalise and disclose the functions reserved to the board and those delegated to management. The Company has a small board, comprising three directors, two of whom are non-executive (including the chairman). The Company considers the expense of sourcing additional directors at this stage of its development is unwarranted. The roles and functions within the Company must remain flexible in order for it to best function within its level of available resources. The full board currently meets every month. In addition, strategy meetings and any extraordinary meetings are held at such other times as may be necessary to address any specific significant matters that may arise. The board believes the alignment of the interests of directors with those of shareholders as being the most efficient way to ensure shareholders interests are protected.
Principle 2: Structure the board to add value			
2.1	A majority of board members should be independent directors	N/A	Given the Company's background, the nature and size of its business and the current stage of its development, the board comprises three directors, two of whom are non-executive (including the independent chairman). The board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chairperson should be an independent director	A	
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual	A	The positions of chairman and managing director are held by separate persons.
2.4	The board should establish a nomination committee	N/A	The board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the board carries out the process of determining the need for, screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.

A = Adopted, N/A = Not adopted

	ASX Principle	Status	Reference/comment
Principle 2:	Structure the board to add value (continued)		
2.5	Provide the information indicated in guide to reporting on Principle 2	A (in part)	The skills and experience of directors are set out in the Company's annual report and on its website.
Principle 3:	Promote ethical and responsible decision-making		
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity 3.1.2 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices	A	The Company has formulated a code of conduct which can be viewed on the Company's website.
3.2	Disclose the policy concerning trading in Company securities by directors, officers and employees	A	The Company has formulated a securities trading policy which can be viewed on its website.
3.3	Provide the information indicated in guide to reporting on Principle 3	A	
Principle 4:	Safeguard integrity in financial reporting		
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards	A	
4.2	The board should establish an audit committee	N/A	Given the Company's background, the nature and size of its business and the current stage of its development, the board comprises only three directors, of which only one (the Chairman) is considered independent. The company believes it is impractical to source additional directors at this stage of its development, without which it is not possible to form an independent audit committee.
4.3	Structure the audit committee so that it consists of: * Only non-executive directors * A majority of independent directors * An independent chairperson who is not the chairperson of the board * At least three members	N/A	
4.4	The audit committee should have a formal charter	N/A	
4.5	Provide the information indicated in guide to reporting on Principle 4	N/A	

A = Adopted, N/A = Not adopted

	ASX Principle	Status	Reference/comment
Principle 5: Make timely and balanced disclosure			
5.1	Establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at a senior management level for that compliance	N/A	The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations. The board is acutely aware of the continuous disclosure regime and there are strong informal systems in place to ensure compliance, underpinned by experience.
5.2	Provide the information indicated in guide to reporting on Principle 5	N/A	The board receives monthly reports on the status of the Company's activities and any new or proposed activities. Disclosure is reviewed as a routine agenda item at each board meeting.
Principle 6: Respect the rights of shareholders			
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings	A	In line with adherence to continuous disclosure requirements of ASX all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Report, Quarterly Reports, the Company website and the distribution of specific releases covering major transactions or events.
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the audit and the preparation and content of the auditor's report	A	Shareholders are encouraged to exercise their right to vote, either by attending meetings, or by lodging a proxy. The Company's auditors attend all shareholders' meetings.
Principle 7: Recognise and manage risk			
7.1	The board or appropriate board committee should establish policies on risk oversight and management	N/A	While the Company does not have formalised policies on risk management the board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that: 7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board 7.2.2 the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects	N/A	Determined areas of risk which are regularly considered include: • performance and funding of exploration activities • budget control and asset protection • status of mineral tenements • land access and native title considerations • compliance with government laws and regulations • safety and the environment • continuous disclosure obligations
7.3	Provide information indicated in guide to reporting on Principle 7	N/A	

A = Adopted, N/A = Not adopted

	ASX Principle	Status	Reference/comment
Principle 8:	Encourage enhanced Performance		
8.1	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives	N/A	The Company does not consider it appropriate to have a sub-committee of the board to consider remuneration matters. The remuneration of executive and non-executive directors is reviewed by the board with the exclusion of the director concerned. The remuneration of management and employees is reviewed by the board and approved by the chairman. Acting in its ordinary capacity, the board from time to time carries out the process of considering and determining performance issues including the identification of matters that may have a material effect on the price of the Company's securities. Whenever relevant, any such matters are reported to ASX.
Principle 9:	Remunerate fairly and responsibly		
9.1	Provide disclosure in relation to the Company's remuneration policies and benefits to these policies and the link between remuneration paid to directors and key executives and corporate performance.	A	The Company discloses remuneration-related information in its annual report to shareholders in accordance with the Corporations Act 2001. Remuneration levels are determined by the board on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.
9.2	The board should establish a remuneration committee	N/A	
9.3	Clearly distinguish the structure of non-executive directors remuneration from that of executives	A	
9.4	Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders	A	
9.5	Provide information indicated in ASX guide to reporting on Principle 9	A (in part)	
Principle 10:	Recognise legitimate interests of stakeholders		
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders	A	The Company's code of conduct is set out in the Company's website. The board continues to review existing procedures over time to ensure adequate processes are in place. All directors, employees and contractors are expected to act with the utmost integrity and objectivity in their dealings with other parties, striving at all times to enhance the reputation and performance of the Company.

A = Adopted, N/A = Not adopted

Income Statement

YEAR ENDED 30 JUNE 2006

	Notes	The Company	
		2006	2005
		\$	\$
REVENUE FROM CONTINUING OPERATIONS	3	40,262	83,769
EXPENDITURE			
Depreciation expense	4	(11,865)	(6,917)
Salaries and employee benefits expense		(183,439)	(209,705)
Exploration expenses	4	(624,959)	(880,638)
Corporate expenses		(22,790)	(13,514)
Occupancy expenses		(81,081)	(39,964)
Consulting expenses		(42,824)	(30,269)
Administration expenses		(51,544)	(71,905)
Share based payments expense	23(b)	(20,825)	—
Other expenses from ordinary activities		(45,103)	(39,502)
LOSS BEFORE INCOME TAX EXPENSE		(1,044,158)	(1,208,645)
INCOME TAX BENEFIT/(EXPENSE)	5	—	—
NET LOSS ATTRIBUTABLE TO MEMBERS OF JAGUAR MINERALS LIMITED		<u>\$(1,044,158)</u>	<u>\$(1,208,645)</u>
Basic loss per share (cents per share)	17	(2.9)	(3.4)

The above Income Statement is to be read in conjunction with the Notes to the Financial Statements.

Balance Sheet

AT 30 JUNE 2006

	Notes	The Company	
		2006	2005
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	13(b)	1,018,341	1,189,320
Trade and other receivables	7	50,297	51,244
TOTAL CURRENT ASSETS		1,068,638	1,240,564
NON-CURRENT ASSETS			
Plant and equipment	8	33,602	45,457
TOTAL NON-CURRENT ASSETS		33,602	45,457
TOTAL ASSETS		1,102,240	1,286,021
CURRENT LIABILITIES			
Trade and other payables	9	56,752	131,498
Provisions	10	13,014	38,717
TOTAL CURRENT LIABILITIES		69,766	170,215
TOTAL LIABILITIES		69,766	170,215
NET ASSETS		\$1,032,474	\$1,115,806
EQUITY			
Issued capital	11	3,835,848	2,895,847
Reserves	12(a)	20,825	—
Accumulated losses	12(b)	(2,824,199)	(1,780,041)
TOTAL EQUITY		\$1,032,474	\$1,115,806

The above Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2006

	Notes	The Company	
		2006	2005
		\$	\$
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR		1,115,806	2,330,487
LOSS FOR THE YEAR		(1,044,158)	(1,208,645)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR			
ATTRIBUTABLE TO MEMBERS OF JAGUAR MINERALS LIMITED		(1,044,158)	(1,208,645)
Transactions with equity holders in their capacity as equity holders:			
Shares issued during the year	11(b)	1,000,000	—
Transaction costs	11(b)	(50,999)	(6,036)
Employee share options	12(a)	20,825	—
		969,826	(6,036)
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		\$1,032,474	\$1,115,806

The above Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

YEAR ENDED 30 JUNE 2006

	Notes	The Company	
		2006 \$	2005 \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Payments to suppliers and employees		(454,643)	(381,174)
Interest received		43,901	80,130
Expenditure on mining interests		(688,236)	(790,785)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	13(a)	(1,098,980)	(1,091,829)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for plant and equipment		–	(52,374)
Payments for tenement acquisition		–	(500,000)
Payment of bonds		(12,000)	(6,500)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(12,000)	(558,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		1,000,000	–
Payment of share issue costs		(59,999)	(6,036)
Repayments of borrowings – related parties		–	(299,287)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		940,001	(305,323)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(170,979)	(1,956,026)
Add opening cash and cash equivalents brought forward		1,189,320	3,145,346
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	13(b)	\$1,018,341	\$1,189,320

The above Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

notes to the financial statements

30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements of Jaguar Minerals Limited as an individual entity. Jaguar Minerals Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on Australian Stock Exchange Limited.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRSs ensures that the financial report, comprising the group's financial statements and notes and the parent entity financial statements and notes of Jaguar Minerals Limited, comply with IFRSs.

Except for the revised AASB 119 *Employee Benefits* (issued December 2005), Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2006:

AASB Amendment	Affected Standard(s)	Nature of change to accounting policy	Application date of standard*	Application date for Group
2005-1	AASB 139: <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
2005-5	AASB 1: <i>First-time adoption of AIFRS</i> , AASB 139: <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
2005-6	AASB 3: <i>Business Combinations</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
2005-10	AASB 132: <i>Financial Instruments: Disclosure and Presentation</i> , AASB 101: <i>Presentation of Financial Statements</i> , AASB 114: <i>Segment Reporting</i> , AASB 117: <i>Leases</i> , AASB 133: <i>Earnings Per Share</i> , AASB 139: <i>Financial Instruments: Recognition and Measurement</i> , AASB 1: <i>First-time adoption of AIFRS</i>	No change to accounting policy required. Therefore no impact.	1 January 2007	1 July 2007
New standard	AASB 7: <i>Financial Instruments: Disclosures</i>	No change to accounting policy required. Therefore no impact.	1 January 2007	1 July 2007

* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

The following amendments are not applicable to the Group and therefore have no impact:

AASB Amendment	Affected Standard(s)
2005-4	AASB 139: <i>Financial Instruments: Recognition and Measurement</i> , AASB 132: <i>Financial Instruments: Disclosure and Presentation</i> , AASB 1: <i>First-time adoption of AIFRS</i>
2005-9	AASB 139: <i>Financial Instruments: Recognition and Measurement</i> , AASB 132: <i>Financial Instruments: Disclosure and Presentation</i>

Application of AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*

These financial statements are the first Jaguar Minerals Limited financial statements to be prepared in accordance with AIFRSs. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

Financial statements of Jaguar Minerals Limited until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRSs. When preparing Jaguar Minerals Limited 2006 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRSs. The comparative figures in respect of 2005 were restated to reflect these adjustments.

notes to the financial statements

30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reconciliations and descriptions of the effect of the transition from previous AGAAP to AIFRSs on the group's equity and its net income are given in note 2.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts. The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation of plant and equipment is calculated on a reducing balance basis so as to write off the net costs of each asset over the expected useful life. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(c) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Exploration and evaluation costs

Exploration and evaluation costs are written off in the period they are incurred.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

notes to the financial statements

30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(i) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Share-based payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or Binomial option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

notes to the financial statements

30 JUNE 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(j) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(k) Issued capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Earnings per share (EPS)

Basic earnings per share

Basic EPS is calculated as the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(n) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Critical accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Binomial model with the assumptions detailed in note 23.

(p) Interests in joint ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated income statement and balance sheet. Details of the economic entity's interests are shown in note 24.

The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

notes to the financial statements

30 JUNE 2006

	Notes		The Company	
		Previous AGAAP \$	Effect of transition to AIFRS \$	AIFRS \$
2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS				
Reconciliation of Equity at 1 July 2004				
CURRENT ASSETS				
Cash and cash equivalents		3,145,346	—	3,145,346
Trade and other receivables		26,073	—	26,073
TOTAL CURRENT ASSETS		3,171,419	—	3,171,419
TOTAL ASSETS		3,171,419	—	3,171,419
CURRENT LIABILITIES				
Trade and other payables		840,932	—	840,932
TOTAL CURRENT LIABILITIES		840,932	—	840,932
TOTAL LIABILITIES		840,932	—	840,932
NET ASSETS		\$2,330,487	—	\$2,330,487
EQUITY				
Issued capital		2,901,883	—	2,901,883
Accumulated losses		(571,396)	—	(571,396)
TOTAL EQUITY		\$2,330,487	—	\$2,330,487

No material impacts have occurred to Equity presented under AGAAP on adoption of AIFRS.

notes to the financial statements

30 JUNE 2006

	Notes	The Company		
		Previous AGAAP \$	Effect of transition to AIFRS \$	AIFRS \$
2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)				
Reconciliation of Equity at 30 June 2005				
CURRENT ASSETS				
Cash and cash equivalents		1,189,320	—	1,189,320
Trade and other receivables		51,244	—	51,244
TOTAL CURRENT ASSETS		1,240,564	—	1,240,564
NON-CURRENT ASSETS				
Plant and equipment		45,457	—	45,457
TOTAL NON-CURRENT ASSETS		45,457	—	45,457
TOTAL ASSETS		1,286,021	—	1,286,021
CURRENT LIABILITIES				
Trade and other payables		131,498	—	131,498
Provisions		38,717	—	38,717
TOTAL CURRENT LIABILITIES		170,215	—	170,215
TOTAL LIABILITIES		170,215	—	170,215
NET ASSETS		\$1,115,806	—	\$1,115,806
EQUITY				
Issued capital		2,895,847	—	2,895,847
Accumulated losses		(1,780,041)	—	(1,780,041)
TOTAL EQUITY		\$1,115,806	—	\$1,115,806

No material impacts have occurred to Equity presented under AGAAP on adoption of AIFRS.

notes to the financial statements

30 JUNE 2006

	Notes		The Company	
		Previous AGAAP \$	Effect of transition to AIFRS \$	AIFRS \$
2. FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)				
Reconciliation of Profit or Loss for year ended 30 June 2005				
REVENUE FROM ORDINARY ACTIVITIES		83,769	—	83,769
EXPENDITURE FROM ORDINARY ACTIVITIES				
Depreciation expense		(6,917)	—	(6,917)
Salaries and employee benefits expense		(209,705)	—	(209,705)
Exploration expenses		(880,638)	—	(880,638)
Corporate expenses		(13,514)	—	(13,514)
Occupancy expenses		(39,964)	—	(39,964)
Consulting expenses		(30,269)	—	(30,269)
Administration expenses		(71,905)	—	(71,905)
Other expenses from ordinary activities		(39,502)	—	(39,502)
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX		(1,208,645)	—	(1,208,645)
INCOME TAX BENEFIT/(EXPENSE) RELATING TO ORDINARY ACTIVITIES		—	—	—
NET LOSS ATTRIBUTABLE TO MEMBERS OF JAGUAR MINERALS LIMITED		<u>\$(1,208,645)</u>	—	<u>\$(1,208,645)</u>

No material impacts have occurred to the Income Statement presented under AGAAP on adoption of AIFRS.

No material impacts have occurred to the Statement of Cash Flows presented under AGAAP on adoption of AIFRS.

notes to the financial statements

30 JUNE 2006

Notes	The Company	
	2006 \$	2005 \$
3. REVENUE FROM CONTINUING OPERATIONS		
Revenues from non-operating activities		
Interest		
Bank interest	40,262	83,769
Total revenues from continuing operations	\$40,262	\$83,769
4. EXPENSES AND LOSSES/(GAINS)		
(a) Expenses		
Depreciation of non-current assets	11,855	6,917
Exploration and evaluation expenditure costs	624,953	880,638
5. INCOME TAX		
(a) Income tax expense		
Current tax	–	–
Deferred tax	–	–
Under (over) provided in prior years	–	–
	\$ –	\$ –
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(1,044,158)	(1,208,645)
Prima facie tax benefit on loss from ordinary activities at 30% (2005: 30%)	(313,247)	(362,594)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	6,247	–
Sundry items	331	1,928
	(306,669)	(360,666)
Movements in unrecognised temporary differences	(18,447)	(1,208)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	325,116	361,874
Income tax expense	\$ –	\$ –
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
<i>On Income Tax Account</i>		
Capital raising costs	46,988	48,702
Accumulated depreciation	1,625	627
Accruals and provisions for employee entitlements	12,589	13,413
Carry forward tax losses	874,160	549,044
	\$935,362	\$611,786
Deferred Tax Liabilities (at 30%)	\$ –	\$ –

notes to the financial statements

30 JUNE 2006

	Notes	The Company	
		2006	2005
		\$	\$
6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES			
No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.			
7. TRADE AND OTHER RECEIVABLES (CURRENT)			
Goods and services tax receivable		20,398	32,525
Bonds lodged		18,500	6,500
Other receivables		11,399	12,219
		<u>\$50,297</u>	<u>\$51,244</u>
8. PLANT AND EQUIPMENT			
Plant & equipment			
At cost		52,374	52,374
Accumulated depreciation		(18,772)	(6,917)
	8(a)	<u>\$33,602</u>	<u>\$45,457</u>
(a) Movements in carrying amounts			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year			
<i>Plant & equipment</i>			
Carrying amount at beginning		45,457	–
Additions		–	52,374
Depreciation expense		(11,855)	(6,917)
Carrying amount at end		<u>\$33,602</u>	<u>\$45,457</u>
9. TRADE AND OTHER PAYABLES (CURRENT)			
Trade creditors		16,680	105,520
Other creditors and accruals		40,172	25,978
		<u>\$56,852</u>	<u>\$131,498</u>
10. PROVISIONS (CURRENT)			
Employee benefits		13,014	21,331
Other provisions		–	17,386
		<u>\$13,014</u>	<u>\$38,717</u>

11. ISSUED CAPITAL

(a) Issued and paid up capital

		2006		2005	
	Notes	Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	11(b), 11(d)	40,821,000	3,895,848	35,821,000	2,895,847
		<u>40,821,000</u>	<u>\$3,895,848</u>	<u>35,821,000</u>	<u>\$2,895,847</u>

notes to the financial statements

30 JUNE 2006

11. ISSUED CAPITAL (continued)

(b) Movements in shares on issue

	2006		2005	
	Number of shares	\$	Number of shares	\$
Beginning of the financial year	35,821,000	2,895,847	35,821,000	2,901,883
Shares issued for cash at 20 cents	5,000,000	1,000,000	–	–
less transaction costs	–	(59,999)	–	(6,036)
End of the financial year	40,821,000	\$3,835,848	35,821,000	\$2,895,847

(c) Movements in options on issue

	2006 Number of options	2005 Number of options
Beginning of the financial year	20,110,500	17,860,500
Issued during the year	–	–
Exercisable at 25 cents, on or before 31 Dec 2008	350,000	2,250,000
End of the financial year	20,460,500	20,110,500

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Notes	The Company	
		2006 \$	2005 \$
12. RESERVES AND ACCUMULATED LOSSES			
(a) Reserves			
Share-based payments reserve	12(c)	\$20,825	\$ –
Movements:			
Balance at beginning of year		–	–
Option expense		20,825	–
Balance at end of year		\$20,825	\$ –
(b) Accumulated losses			
Balance at beginning of year		(1,780,041)	(571,396)
Net loss attributable to members of Jaguar Minerals Limited		(1,044,158)	(1,208,645)
Balance at end of year		\$(2,824,199)	\$(1,780,041)

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

notes to the financial statements

30 JUNE 2006

	The Company	
	2006	2005
	\$	\$
13. STATEMENT OF CASH FLOWS		
(a) Reconciliation of the net loss after income tax to the net cash flows from operations		
Net loss	(1,044,168)	(1,208,645)
Non-Cash Items		
Depreciation of non-current assets	11,855	6,917
Option expense	20,826	–
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	12,947	(18,671)
Increase/(decrease) in trade and other creditors	(74,746)	89,853
Increase/(decrease) in provisions	(25,703)	38,717
Net cash outflow from operating activities	<u>\$(1,099,980)</u>	<u>\$(1,091,829)</u>
(b) Reconciliation of cash		
Cash balance comprises:		
– cash at bank and in hand	1,310	(15,809)
– short-term deposits	1,017,031	1,205,129
Closing cash balance	<u>\$1,018,341</u>	<u>\$1,189,320</u>
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.		
Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.		
(c) Non-cash financing and investing activities		
Options issued to employees and consultants for no consideration or as settlement for expenses are shown in note 23.		
14. EXPENDITURE COMMITMENTS		
(a) Exploration commitments		
The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:		
not later than one year	340,000	304,540
later than one year and not later than five years	1,165,000	1,218,160
	<u>\$1,505,000</u>	<u>\$1,522,700</u>
(b) Lease expenditure commitments		
<i>Operating leases (non-cancellable):</i>		
Minimum lease payments		
– not later than one year	39,625	37,000
– later than one year and not later than five years	45,000	4,625
– aggregate rental lease expenditure contracted for at reporting date	<u>\$84,625</u>	<u>\$41,625</u>

The property lease is a non-cancellable lease with a 2 year term, with rent payable monthly in advance. The rental agreement does not contain any rent review clauses. An option exists to renew the lease at the end of the 2 year term for an additional term of 2 years. The lease allows for subletting of all lease areas.

notes to the financial statements

30 JUNE 2006

	The Company	
	2006	2005
	\$	\$
14. EXPENDITURE COMMITMENTS (continued)		
(c) Employment contract commitments		
Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in note 19(b) that are not recognised as liabilities and are not included in the key management personnel compensation.		
not later than one year	140,000	134,900
later than one year and not later than five years	233,333	72,445
	<u>\$373,333</u>	<u>\$207,345</u>
15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
There are no material contingent liabilities or contingent assets of the Company at balance date.		
16. SUBSEQUENT EVENTS		
No matter or circumstance has arisen since 30 June 2006, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.		
17. LOSS PER SHARE		
(a) Reconciliation of earnings to profit or loss		
Net loss	(1,044,158)	(1,208,645)
Loss used in calculating basic and diluted loss per share	<u>\$(1,044,158)</u>	<u>\$(1,208,645)</u>
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic loss per share	<u>36,341,548</u>	<u>35,273,071</u>
Effect of dilutive securities:		
There were no dilutive potential ordinary shares on issue at balance date, accordingly diluted loss per share has not been disclosed.		
18. AUDITORS' REMUNERATION		
Amounts received or due and receivable by Stantons International or associated entities for:		
– an audit or review of the financial report of the Company	16,659	15,219
– other services in relation to the Company		1,500
– Tax compliance services		
	<u>\$16,659</u>	<u>\$16,719</u>
19. KEY MANAGEMENT PERSONNEL DISCLOSURES		
(a) Details of key management personnel		
(i) <i>Directors</i>		
Brian J Hurley	Chairman	
Nanette M Anderson	Managing Director	
Michael P Wright	Non-Executive Director	
(ii) <i>Executives</i>		
Dennis Wilkins	Company Secretary	
Michael Busbridge	Exploration Manager	Appointed 21 November 2005
Robert Seed	Exploration Manager	Resigned 14 October 2005

notes to the financial statements

30 JUNE 2006

19. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(b) Remuneration policy of key management personnel

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Non Executive Directors

The constitution of the Company provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (currently \$200,000). The chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Directors Fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs service outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Currently, Mr B Hurley is remunerated by way of directors' fees.

Service Agreements

The agreements relating to remuneration are set out below:

Nanette Anderson, Managing Director:

- Term of agreement ~ 3 years commencing 28 February 2006.
- Base salary, exclusive of superannuation, for the year ended 30 June 2006 of \$110,000 to be reviewed annually by the board.
- Ms Anderson is entitled to a fully maintained Company car as well as re-imbursement of expenditures incurred in the normal course of the Company's business.
- The board may also pay the Managing Director such bonuses as it determines in its absolute discretion.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, includes an amount equal to the amounts due for the balance of the term of the contract from the date of termination.

Dennis Wilkins, Company Secretary/Chief Financial Officer:

- Term of agreement ~ 1 month notice of termination required.
- Fixed fee, \$24,000 per annum.

Retirement Benefits

Other retirement benefits may be provide directly by the Company if approved by shareholders.

(c) Compensation of key management personnel by category

	The Company	
	2006	2005
	\$	\$
Short-term	291,711	220,783
Post employment	21,995	17,376
Other long-term	—	—
Termination benefits	—	—
Share-based payment	20,825	88,200
	<u>\$334,531</u>	<u>\$326,359</u>

notes to the financial statements

30 JUNE 2008

19. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Compensation of key management personnel by individual

		Short-Term		Post Employment		Share-based	Total
	Salary & Fees	Cash Bonus	Non Monetary	Super- annuation	Retirement benefits	Payments Options	
Directors							
Brian J Hurley							
2006	30,000	—	4,333	2,700	—	—	37,033
2005	30,000	—	—	2,700	—	11,760	44,460
Nanette M Anderson							
2006	105,231	—	4,333	9,471	—	—	119,035
2005	79,615	—	3,707	7,165	—	62,720	153,207
Michael P Wright							
2006	—	—	4,333	—	—	—	4,333
2005	—	—	—	—	—	—	—
Executives							
Dennis Wilkins							
2006	24,000	—	—	—	—	—	24,000
2005	24,000	—	—	—	—	—	24,000
Michael Busbridge (<i>appointed 21 November 2005</i>)							
2006	67,231	—	—	6,051	—	20,825	94,107
2005	—	—	—	—	—	—	—
Robert Seed (<i>resigned 14 October 2005</i>)							
2006	52,250	—	—	3,773	—	—	56,023
2005	83,461	—	—	7,511	—	13,720	104,692
Total							
2006	278,712	—	12,999	21,995	—	20,825	\$334,531
2005	217,076	—	3,707	17,376	—	88,200	\$326,359

(e) Compensation options: Granted and vested during the year

Compensation options issued in 2006 and vesting during the year are shown below. For further details refer to note 23.

	Terms & Conditions for Each Grant						
	Vested Number	Granted Number	Grant Date	Value per option at grant date (cents)	Exercise Price per share (cents)	First Exercise Date	Last Exercise Date
Executives							
Michael Busbridge	350,000	350,000	30 Mar 2006	5.9	25.0	30 Mar 2006	31 Dec 2008
Total	350,000	350,000					

notes to the financial statements

30 JUNE 2006

19. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(f) Shares issued on exercise of compensation options

There were no shares issued on exercise of compensation options during the year.

(g) Option holdings of key management personnel

	Balance at beginning of year 1 July 2005	Granted	Options Exercised	Net Change Other	Balance at end of year 30 June 2006	Vested at 30 June 2006		
						Total	Not exercisable	Exercisable
Directors								
Brian J Hurley	325,000	—	—	—	325,000	325,000	—	325,000
Nanette M Anderson	1,605,000	—	—	—	1,605,000	1,605,000	—	1,605,000
Michael P Wright	25,000	—	—	—	25,000	25,000	—	25,000
Executives								
Dennis Wilkins	—	—	—	—	—	—	—	—
Michael Busbridge	—	350,000	—	—	350,000	350,000	—	350,000
Total	1,955,000	350,000	—	—	2,305,000	2,305,000	—	2,305,000

(h) Shareholdings of key management personnel

	Balance 1 July 2005		Granted		On Exercise of Options		Net Change Other		Balance 30 June 2006	
	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref	Ord	Pref
Directors										
Brian J Hurley	50,000	—	—	—	—	—	—	—	50,000	—
Nanette M Anderson	10,000	—	—	—	—	—	—	—	10,000	—
Michael P Wright	50,000	—	—	—	—	—	—	—	50,000	—
Executives										
Dennis Wilkins	—	—	—	—	—	—	—	—	—	—
Michael Busbridge	—	—	—	—	—	—	—	—	—	—
Total	110,000	—	—	—	—	—	—	—	110,000	—

(i) Loans to key management personnel

There were no loans to key management personnel during the year.

(j) Other transactions and balances with key management personnel

Services

DWCorporate, a business of which Mr Wilkins is principal, provided Company secretarial and other corporate services to Jaguar Minerals Limited during the year. The amounts paid were at arms length and are disclosed in note 19(b) and (d) above.

20. RELATED PARTY DISCLOSURES

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

21. SEGMENT INFORMATION

Segment products and locations

The Company's operations are in the mining industry in Australia.

notes to the financial statements

30 JUNE 2006

22. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Interest rate risk

The Company is exposed to movements in market interest rates on short-term deposits. Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate 2006 \$	Fixed interest rate maturing in:				Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
		1 year or less 2006 \$	Over 1 to 5 years 2006 \$	More than 5 years 2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 %	2005 %
<i>(i) Financial assets</i>											
Cash	910	1,188,920	1,017,031	-	-	-	400	400	1,018,341	1,189,320	5.2
Trade and other receivables	-	-	-	-	-	-	50,297	36,165	50,297	36,165	-
Total financial assets	910	1,188,920	1,017,031	-	-	-	50,697	36,565	1,068,638	1,225,485	-
<i>(ii) Financial liabilities</i>											
Trade creditors	-	-	-	-	-	-	(16,580)	(105,520)	(16,580)	(105,520)	-
Other creditors and accruals	-	-	-	-	-	-	(40,172)	(25,978)	(40,172)	(25,978)	-
Total financial liabilities	-	-	-	-	-	-	(56,752)	(131,498)	(56,752)	(131,498)	-

notes to the financial statements

30 JUNE 2006

22. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Net fair values

All financial assets and liabilities have been recognised at the balance date at amounts approximating their carrying value.

(c) Credit risk exposures

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

23. SHARE-BASED PAYMENTS

(a) Employee and Contractors Option Plan

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares. The exercise price of the options issued is 25 cents, and the exercise date is 31 December 2008.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

Set out below are summaries of the options granted:

	The Company			
	2006		2005	
	Number of options	Weighted average exercise price (cents)	Number of options	Weighted average exercise price (cents)
Outstanding at the beginning of the year	2,250,000	25.0	—	—
Granted	350,000	25.0	2,250,000	25.0
Forfeited	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding at year-end	2,600,000	25.0	2,250,000	25.0
Exercisable at year-end	2,600,000	25.0	2,250,000	25.0

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.5 years (2005: 3.5 years).

(b) Expenses arising from share-based payment transactions

The weighted average fair value of the options granted during the year was 5.9 cents. The price was calculated by using a Binomial valuation applying the following inputs:

Weighted average exercise price (cents)	25.0
Weighted average life of the option (years)	2.76
Weighted average underlying share price (cents)	20.0
Expected share price volatility	70%
Risk free interest rate	5.75%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on historical exercise patterns, which may not eventuate in the future.

notes to the financial statements

30 JUNE 2006

23. SHARE-BASED PAYMENTS (continued)

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	The Company	
	2006 \$	2005 \$
Options issued to employees	\$20,825	\$ -

24. JOINT VENTURE

Mt David Project

In December 2005 the company entered into an agreement with Paradigm Gold Limited (Paradigm) to explore Jaguar's wholly owned Mt David project located 35km south of Bathurst in central NSW. Initially both Jaguar and Paradigm contributed equally to a drilling program managed by Paradigm. Paradigm has elected to earn an initial 25% interest in the Mt David Project by expending \$200,000 on exploration over 2 years. Paradigm has the option to earn an additional 25% (50% total) by spending a further \$250,000 on exploration at Mt David after the first earning date. The joint venture is in relation to gold, and has a carrying value of nil.

Directors' Declaration

In accordance with a resolution of the directors of Jaguar Minerals Limited, I state that:

(1) In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2006.

On behalf of the board



Nanette M Anderson

Managing Director

Perth, 13 September 2006

Independent Audit Report

to the Members of Jaguar Minerals Limited

Stantons International

ABN 41 103 088 607

LEVEL 1, 1 HAVELOCK STREET

WEST PERTH WA 6005, AUSTRALIA

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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF JAGUAR MINERALS LIMITED

SCOPE

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash-flows, accompanying notes to the financial statements and the directors' declaration for Jaguar Minerals Limited (the Company) for the year ended 30 June 2006.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of the performance as represented by the results of their operations and cash flows.

Member of Russell Bedford Chartered Accountants



Independent Audit Report

to the Members of Jaguar Minerals Limited

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA

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We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

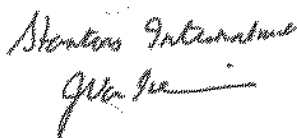
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

AUDIT OPINION

In our opinion, the financial report of Jaguar Minerals Limited is in accordance with:

- a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

STANTONS INTERNATIONAL
(Authorised Audit Company)



J P Van Dieren
Director

Perth, Western Australia
13 September 2006

Member of Russell Bedford Chartered Accountants



Auditors' Independence Letter

to the Members of Jaguar Minerals Limited

Stantons International

ABN 41 103 088 607

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
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13 September 2006

Board of Directors
Jaguar Minerals Limited
18 Emerald Terrace,
West Perth WA 6005

Dear Directors

RE: JAGUAR MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Jaguar Minerals Limited.

As Audit Director for the audit of the financial statements of Jaguar Minerals Limited for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



J P Van Dieren
Director

Member of Russell Bedford Chartered Accountants



ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 5 October 2006.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary shares		Options	
	Number of holders	Number of shares	Number of holders	Number of shares
1 – 1,000		–		–
1,001 – 5,000	30	96,135	130	650,000
5,001 – 10,000	135	1,319,593	20	190,500
10,001 – 100,000	137	5,512,308	57	1,823,700
100,001 and over	35	33,892,964	13	15,196,300
	337	40,821,000	220	17,860,500
The number of shareholders holding less than a marketable parcel of shares are:				
	16	33,607	133	670,500

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Herald Resources Limited	21,250,000	52.06
2	ANZ Nominees Limited	3,432,000	8.41
3	Weybridge Pty Ltd	2,000,000	4.90
4	Barnaby David	400,000	0.98
5	Silvana Investments Pty Ltd	350,000	0.86
6	Vystay Pty Ltd	347,863	0.85
7	Prentice Investments Vic	339,041	0.83
8	Mandolin Nominees Pty Ltd	330,000	0.81
9	Eastcourt Properties Pty Ltd	330,000	0.81
10	Ross Asset Management Limited	300,000	0.73
11	Morrison Kimberley	264,996	0.65
12	Stone Stephen	250,000	0.61
13	Richards Peter & Carol	250,000	0.61
14	Nacoorna Pty Ltd	250,000	0.61
15	Tialing Pty Ltd	250,000	0.61
16	Parker Ian Michael Paterson	250,000	0.61
17	Khe Sanh Pty Ltd	250,000	0.61
18	Hernstadt William Henry	250,000	0.61
19	Dunrovin Limited	235,000	0.58
20	Fintran Limited	225,000	0.55
		31,553,900	77.29

ASX Additional Information

(c) Twenty largest option holders

The names of the twenty largest holders of quoted options are:

		Listed options	
		Number of options	Percentage of total options
1	Herald Resources Limited	10,625,000	59.49
2	ANZ Nominees Limited	1,903,000	10.65
3	Weybridge Pty Ltd	1,000,000	5.60
4	Lotta Nominees Pty Ltd	391,300	2.19
5	Weybridge Pty Ltd	250,000	1.40
6	Tranton Pty Ltd	200,000	1.12
7	Weybridge Pty Ltd	171,000	0.96
8	Dunrovin Limited	120,000	0.67
9	National Nominees Limited	110,000	0.62
10	Fintran Limited	110,000	0.62
11	Allen Sue Elizabeth	106,000	0.59
12	D F Lynton-Brown Pty Ltd	105,000	0.59
13	Trustees Anglo European	105,000	0.59
14	Lental Pty Ltd	100,000	0.56
15	Douglass Peter John	100,000	0.56
16	Sasse Pty Ltd	80,000	0.45
17	Esperon Carol Ann	80,000	0.45
18	Kipling Michael	80,000	0.45
19	Used Raul	78,000	0.44
20	Garnstone Investments Pty Ltd	75,000	0.42
		15,789,300	88.42

(d) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares
Herald Resources Limited	21,250,000
ANZ Nominees Limited	3,432,000

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

ASX Additional Information

(f) Schedule of interests in mining tenements

Location	Tenement	Current interest (or right to acquire)
Kintore – WA	P 16/1544	100
Kintore – WA	P 16/1545	100
Kintore – WA	P 16/1546	100
Kintore – WA	P 16/1866	100
Kintore – WA	M 16/0016	100
Kintore – WA	M 16/0215	100
Kintore – WA	M 16/0314	100
Kintore – WA	M 16/0315	100
Kintore – WA	M 16/0444	100
Kintore – WA	M 16/0445	100
Mt David – NSW	EL 5242	100
Springfield – NSW	EL 5991	100
Temma – TAS	EL 27/2005	100
Wilson River – TAS	EL 23/2003	100
Belts Track – TAS	EL 18/2006	100



JAGUAR MINERALS LTD

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