

Jaguar Minerals Limited

ABN 43 107 159 713



Annual Financial Report

for the year ended 30 June 2008

Corporate Information

ABN 43 107 159 713

Directors

Brian Hurley (Non Executive Chairman)
Nanette Anderson (Managing Director)
Michael Wright (Non Executive Director)

Company Secretary

Chris Brown

Registered Office

Level 3, 50 Colin Street
WEST PERTH WA 6005
Telephone: +61 8 9485 0911

Solicitors

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

Bankers

Westpac Banking Corporation
1257-1261 Hay Street
WEST PERTH WA 6005

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 8 9315 2333
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Auditors

Stantons International
Level 1, 1 Havelock Street
WEST PERTH WA 6005

Internet Address

www.jaguarminerals.com.au

Stock Exchange Listing

Jaguar Minerals Limited shares and 20 cent options expiring on or before 30 September 2008 are listed on the Australian Securities Exchange.

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Directors' Report

Your directors submit their report for the year ended 30 June 2008.

DIRECTORS

The names and details of Jaguar Minerals Limited's ("the Company") directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former 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 Hurley, AWASM, MAusIMM (Non Executive 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 a former 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 a director of Mundo Minerals Ltd and Herald Resources Ltd. Last year he resigned from the position of chairman of the annual Diggers & Dealers Mining Forum, a position which he had held for 7 years. 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 Anderson, BSc (Hons), MAusIMM (Managing Director)

Ms Anderson has worked in the exploration and mining industry for over a decade. With a background in geology she has experience in the gold, diamonds and base metal industries, working throughout Australia and Indonesia. Her particular area of expertise at that time included the fields of design and co-ordination of mine planning, critical analysis of exploration targets and resource modelling and reconciliation.

Moving into the corporate side of the business, Ms Anderson has successfully undertaken capital raisings, project acquisitions and joint venture negotiations. Ms Anderson has previously held positions with Kimberley Diamond Company NL, Hartree Consulting Pty Ltd and Herald Resources Ltd.

Ms Anderson is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Geological Society of Australia. Ms Anderson has not held any former directorships in the last 3 years.

Michael 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

Chris Brown, LLB. B.Com ACIS (appointed 15 May 2008)

Mr Brown is a qualified lawyer in Western Australia and England & Wales and a Chartered Secretary (being an associate member of Chartered Secretaries Australia Ltd.).

Mr Brown has been with the Company since early 2007 and has previously spent over six years working for investment banks in the United Kingdom.

Dennis Wilkins, B.Bus, AICD, ACIS (resigned 15 May 2008)

Mr 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. He is the principal of DWCorporate which provides advisory, funding and administrative management services to the resource sector.

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 Hurley	100,000	1,025,000
Nanette Anderson	60,000	2,605,000
Michael Wright	100,000	1,025,000

Directors' Report continued

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.

There was no significant change in the nature of the Company's activities during the year.

DIVIDENDS

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

OPERATING AND FINANCIAL REVIEW

Finance Review

The Company began the financial year with a cash reserve of \$912,217. In December 2007 the Company made a placement of 25 million ordinary shares to sophisticated investors to raise \$2.5 million. At that time a further 2.8 million shares were issued to existing shareholders who participated in a Share Purchase Plan, raising a further \$280,000. Funds raised were used to actively advance the Company's projects located in Australia.

During the year total tenement acquisition and exploration expenditure incurred by the Company amounted to \$1,185,295. In line with the company's accounting policies, all exploration expenditure was written off at year end. Net administration expenditure incurred amounted to \$506,555. This has resulted in an operating loss after income tax for the year ended 30 June 2008 of \$1,691,851 (2007: \$1,829,612).

At 30 June 2008 available cash funds totalled \$1,868,957.

Operating Results for the Year

Summarised operating results are as follows:

	2008	
	Revenues	Results
	\$	\$
<i>Geographic segments</i>		
Australia	115,349	(1,691,851)
Revenues and loss from ordinary activities before income tax expense	115,349	(1,691,851)

Shareholder Returns

	2008	2007
Basic loss per share (cents)	(2.6)	(4.2)

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 Company 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 stakeholders' 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 December 2007 the Company made a placement of 25 million ordinary shares to sophisticated investors to raise \$2.5 million. Funds were used to actively advance the Company's projects located in Australia. At that time a further 2.8 million shares were issued to existing shareholders who participated in a Share Purchase Plan, raising a further \$280,000. Associated costs amounted to \$309,960.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at note 21, 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.

Directors' Report continued

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 Company'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.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 1024 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

A Principles used to determine the nature and amount of remuneration (audited)

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 and retain 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.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The board's 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.

Performance based remuneration

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

Directors' Report continued

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

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder 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 are expected to be introduced. For details of directors' and executives' interests in options at year end, refer to note 16 of the financial statements.

B Details of remuneration (audited)

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Jaguar Minerals Limited are set out in the following table.

The key management personnel of Jaguar Minerals Limited include the directors and company secretary as per page 1 above and the following executive officer who has authority and responsibility for planning, directing and controlling the activities of the Company:

- Michael Busbridge – *Exploration Manager*

Given the size and nature of operations of Jaguar Minerals Limited, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key management personnel and other executives of Jaguar Minerals Limited and the Company

	Short-Term		Post Employment		Share-based Payments	Total
	Salary & Fees	Non -Monetary	Superannuation	Retirement benefits	Options	
	\$	\$	\$	\$	\$	\$
Directors						
Brian Hurley						
2008	33,750	4,441	3,037			41,228
2007	30,000	4,381	2,700	-	53,340	90,421
Nanette Anderson						
2008	148,359	25,948	13,352			187,659
2007	138,808	27,464	12,493	-	76,200	254,965
Michael Wright						
2008	18,750	4,441	1,687			24,878
2007	-	4,381	-	-	76,200	80,581
Other key management personnel						
Chris Brown (Company Secretary – appointed 15 May 2008)						
2008	94,538		8,509			103,047
Michael Busbridge						
2008	139,926		13,178			153,104
2007	134,385	-	12,095	-	49,530	196,010
Dennis Wilkins (Company Secretary – resigned 15 May 2008)						
2008	10,000					10,000
2007	24,000	-	-	-	38,100	62,100
Total key management personnel compensation						
2008	445,323	34,830	39,763		-	519,916
2007	327,193	36,226	27,288	-	293,370	684,077

Directors' Report continued

C Service agreements (audited)

The details of service agreements of the key management personnel of Jaguar Minerals Limited are as follows:

Nanette Anderson, Managing Director:

- Term of agreement – 3 years commencing 1 October 2007.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of \$162,000 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.

D Share-based compensation (audited)

There were no options issued to directors or other key management personnel as part of their remuneration during the year. Further, there were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Jaguar Minerals Limited during the year.

E Additional information – unaudited

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 include performance bonuses as part of remuneration packages when mine production commences.

DIRECTORS' MEETINGS

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

	Directors' Meetings 2008	
	A	B
Brian Hurley	8	9
Nanette Anderson	9	9
Michael Wright	9	9

Notes

A - Number of meetings attended.

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

SHARES UNDER OPTION

At the date of this report there are 32,050,500 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	29,050,500
Movements of share options during the year	
Issued, exercisable at 13.5 cents, on or before 30 November 2010	3,000,000
Total number of options outstanding as at 30 June 2008 and the date of this report	32,050,500

Directors' Report continued

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 Sep 2008 (quoted on ASX)	20.0	22,500,500
31 Dec 2008 (unquoted)	25.0	2,600,000
31 Dec 2009 (unquoted)	25.0	3,950,000
30 Nov 2010 (unquoted)	13.5	3,000,000
Total number of options outstanding at the date of this report		32,050,500

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.

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 total amount of insurance contract premiums paid is \$13,324.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Stantons International or associated entities.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Stantons International received or are due to receive the following amount for the provision of non-audit services:

	2008	2007
	\$	\$
Tax compliance services	-	2,289

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial statements have been rounded to the nearest \$1 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



Nanette Anderson
Managing Director

Perth, 15 September 2008

15 September 2008

Board of Directors
Jaguar Minerals Limited
Level 3, 50 Colin Street
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 2008, 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)



John P Van Dieren
Director

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, the directors 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 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 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.

Corporate Governance Statement continued

	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 senior management.	A	The Company has adopted this recommendation to formalise and disclose the functions reserved to the board and those delegated to management. These functions can be viewed at the Company's website: www.jaguarminerals.com.au. The Company has a small board, comprising three directors, two of whom are non-executive (including the chairman). Therefore the roles and functions within the Company remain fundamentally 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.
1.2	Disclose the process for evaluating the performance of senior executives.	A	A performance evaluation for senior executives has taken place in the reporting period and was in accordance with the process disclosed herein.
1.3	Provide the information indicated in the Guide to Reporting on Principle 1.	A	See 1.1 and 1.2.
Principle 2:	Structure the board to add value		
2.1	A majority of the board 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. The board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chair should be an independent director.	N/A	See 2.1.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	A	The positions of chairperson 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.
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	N/A	Given the Company's background, the nature and size of its business and the current stage of its development, the board believes that internal performance evaluation is both appropriate and acceptable at this stage of the Company's development.
2.6	Provide the information indicated in the 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.
A = Adopted N/A = Not adopted			

Corporate Governance Statement continued

	ASX Principle	Status	Reference/comment
Principle 3:	Promote ethical and responsible decision-making		
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity. 3.1.2 the practices necessary to take into account the Company's legal obligations and the reasonable expectations of stakeholders. 3.1.3 the responsibility and accountability of individuals for reporting and 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 the Guide to Reporting on Principle 3.	A	
Principle 4:	Safeguard integrity in financial reporting		
4.1	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, none of whom are 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.
4.2	Structure the audit committee so that it consists of: • Only non-executive directors. • A majority of independent directors. • An independent chair who is not the chair of the board. • At least three members.	N/A	See 4.1.
4.3	The audit committee should have a formal charter.	N/A	See 4.1.
4.4	Provide the information indicated in the Guide to Reporting on Principle 4.	N/A	See 4.1.
A = Adopted N/A = Not adopted			

Corporate Governance Statement continued

	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 the 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	Provide the information indicated in the Guide to Reporting on Principle 6.	A	The Company communicates with its shareholders publicly, primarily by posting this information on the Company's website, which in itself complements the official release of material information to the market. Further, the annual general meeting is the central forum by which the Company is able to communicate effectively with shareholders, providing them with access to information about the company and corporate proposals, and enable their participation in decision-making.
Principle 7:	Recognise and manage risk		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	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. 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

A = Adopted

N/A = Not adopted

Corporate Governance Statement continued

	ASX Principle	Status	Reference/comment
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	A	See 7.1.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	A	
7.4	Provide information indicated in the Guide to Reporting on Principle 7.	N/A	
Principle 8: Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	N/A	The Company does not consider it appropriate to have a sub-committee of the board to consider remuneration matters. 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. 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.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	N/A	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.
8.3	Provide the information indicated in the Guide to Reporting on Principle 8.	A	The Company discloses remuneration-related information in its annual report to shareholders in accordance with the Corporations Act 2001.
A = Adopted N/A = Not adopted			

Income Statement

YEAR ENDED 30 JUNE 2008

	Notes	The Company	
		2008	2007
		\$	\$
REVENUE FROM CONTINUING OPERATIONS	4	115,349	46,945
EXPENDITURE			
Depreciation expense	5	(6,440)	(8,631)
Salaries and employee benefits expense		(360,036)	(273,423)
Exploration expenses	5	(1,185,295)	(1,015,586)
Corporate expenses		(50,993)	(54,426)
Occupancy expenses		(54,911)	(51,320)
Consulting expenses		(35,584)	(54,869)
Administration expenses		(67,274)	(60,821)
Share based payment expense	24	-	(300,990)
Other expenses		(46,667)	(56,491)
LOSS BEFORE INCOME TAX		(1,691,851)	(1,829,612)
INCOME TAX	6	-	-
NET LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF JAGUAR MINERALS LIMITED		(1,691,851)	(1,829,612)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	23	(2.6)	(4.2)

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

Balance Sheet

AT 30 JUNE 2008

	Notes	The Company	
		2008	2007
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	1,868,957	912,217
Trade and other receivables	8	68,541	49,150
TOTAL CURRENT ASSETS		1,937,498	961,367
NON-CURRENT ASSETS			
Receivables	9	49,000	18,500
Plant and equipment	10	20,535	25,325
TOTAL NON-CURRENT ASSETS		69,535	43,825
TOTAL ASSETS		2,007,033	1,005,192
CURRENT LIABILITIES			
Trade and other payables	11	187,382	155,031
Provisions	12	75,803	35,101
TOTAL CURRENT LIABILITIES		263,185	190,132
NON - CURRENT LIABILITIES			
Provisions	12(a)	2,999	-
TOTAL LIABILITIES		266,184	190,132
NET ASSETS		1,740,849	815,060
EQUITY			
Contributed equity	13	7,617,096	5,147,056
Reserves	14(a)	469,415	321,815
Accumulated losses	14(b)	(6,345,662)	(4,653,811)
TOTAL EQUITY		1,740,849	815,060

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

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2008

	Notes	The Company	
		2008 \$	2007 \$
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR		815,060	1,032,474
LOSS FOR THE YEAR		(1,691,851)	(1,829,612)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF JAGUAR MINERALS LIMITED		(1,691,851)	(1,829,612)
Transactions with equity holders in their capacity as equity holders:			
Shares issued during the year	13	2,780,000	1,397,000
Transaction costs	13	(309,960)	(85,792)
Options issued during the year	14	147,600	300,990
		2,617,640	1,612,198
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		1,740,849	815,060

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

Statement of Cash Flows

YEAR ENDED 30 JUNE 2008

	Notes	The Company	
		2008	2007
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(574,979)	(519,425)
Interest received		106,967	43,361
Other income received		4,000	-
Expenditure on mining interests		(1,158,238)	(940,914)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	22	(1,622,250)	(1,416,978)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,650)	(354)
Payment of bonds		(37,000)	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(38,650)	(354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		2,780,000	1,397,000
Payment of share issue costs		(162,360)	(85,792)
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,617,640	1,311,208
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		956,740	(106,124)
Cash and cash equivalents at the beginning of the financial year		912,217	1,018,341
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	1,868,957	912,217

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

Notes to the Financial Statements

30 JUNE 2008

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 for Jaguar Minerals Limited as an individual entity.

The financial report of Jaguar Minerals Limited (the Company) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Board of Directors on 1 September 2008. Jaguar Minerals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are the exploration of mineral tenements in Australia.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Jaguar Minerals Limited comply with International Financial Reporting Standards (IFRS).

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.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company. The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

(b) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(c) Revenue recognition

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

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Notes to the Financial Statements continued

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 19). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(h) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(i) Investments and other financial assets

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Notes to the Financial Statements continued

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair value

The fair values of quoted investments are based on last trade prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment

The Company assesses at each balance date whether there is objective evidence that a financial asset or Company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the last trade price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Notes to the Financial Statements continued

30 June 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives. 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 (note 1(f)).

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.

(l) Exploration and evaluation costs

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs involve rehabilitation of the site in accordance with clauses of the exploration licence permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

(n) Employee benefits

(i) Wages and salaries, annual leave and other 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.

(ii) Share-based payments

The Company provides benefits to employees (including directors) and contractors of the Company in the form of share-based payment transactions, whereby employees and contractors render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to note 24.

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 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 1.

Notes to the Financial Statements continued

30 JUNE 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the vesting period has expired and (ii) the number of options 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. 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 awards are treated as if they were a modification of the original award.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(p) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share 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.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest \$1.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Company has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

Notes to the Financial Statements continued

30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Company, as the Company does not have any borrowings.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Company intends to apply the revised standard from 1 July 2009.

(t) Interests in joint ventures

The Company's interest in unincorporated joint ventures and jointly controlled assets are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

(u) Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees and contractors 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 Black-Scholes option pricing model, using the assumptions detailed in note 24.

Future Rehabilitation

The Company measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available.

Notes to the Financial Statements continued

30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT

(a) Interest rate risk

The Company is exposed to movements in market interest rates on short-term deposits. The 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. At 30 June 2008, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax loss would have been \$18,636 lower/higher (2007 – change of 100 bps: \$9,122 lower/higher) as a result of lower interest income.

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:

2008	Floating interest rate	Fixed interest rate maturing in:			Non interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
		1 year or less	1 to 5 years	More than 5 years			
Financial instrument	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	35,198	1,833,359	-	-	400	1,868,957	7.4
Trade and other receivables	-	-	-	-	107,435	107,435	-
Total financial assets	35,198	1,833,359	-	-	107,835	1,976,392	
<i>Financial liabilities</i>							
Trade creditors	-	-	-	-	(6,509)	(6,509)	-
Other creditors and accruals	-	-	-	-	(180,873)	(180,873)	-
Total financial liabilities	-	-	-	-	(187,382)	(187,382)	

2007	Floating interest rate	Fixed interest rate maturing in:			Non interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
		1 year or less	1 to 5 years	More than 5 years			
Financial instrument	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	55,425	856,392	-	-	400	912,217	5.6
Trade and other receivables	-	-	-	-	58,433	58,433	-
Total financial assets	55,425	856,392	-	-	58,833	970,650	
<i>Financial liabilities</i>							
Trade creditors	-	-	-	-	(105,315)	(105,315)	-
Other creditors and accruals	-	-	-	-	(49,716)	(49,716)	-
Total financial liabilities	-	-	-	-	(155,031)	(155,031)	

Notes to the Financial Statements continued

30 JUNE 2008

2. FINANCIAL RISK MANAGEMENT cont.

(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 other than GST receivable, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

3. SEGMENT INFORMATION

Description of segments

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

4. REVENUE

	The Company	
	2008	2007
	\$	\$
From continuing operations		
<i>Other revenue</i>		
Interest	111,349	46,945
Sundry Income	4,000	
	115,349	46,945

5. EXPENSES

Loss before income tax includes the following specific expenses:

Depreciation of plant and equipment	6,440	8,631
Exploration and evaluation expenditure	1,185,295	1,015,586

Notes to the Financial Statements continued

30 JUNE 2008

6. INCOME TAX

(a) Income tax expense/(benefit)

Current tax	
Deferred tax	
Adjustments for current tax of prior years	

The Company 2008	The Company 2007
---------------------	---------------------

-	-
-	-
-	-
-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense

(1,691,851)	(1,829,612)
-------------	-------------

Prima facie tax benefit at the Australian tax rate of 30% (2007: 30%)

(507,555)	(548,884)
-----------	-----------

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Share based payments

-	90,297
---	--------

Sundry items

296	311
-----	-----

(507,260)	(458,276)
-----------	-----------

Unrecognised temporary differences

(18,926)	(23,382)
----------	----------

Tax effect of current year tax losses for which no deferred tax asset has been recognised

526,185	481,658
---------	---------

Income tax expense/(benefit)

-	-
---	---

(c) Unrecognised temporary differences**Deferred Tax Assets (at 30%)***On Income Tax Account*

Section 40-880 deductions

66,139	47,865
--------	--------

Accumulated depreciation

1,285	1,549
-------	-------

Accruals and provisions for employee entitlements

28,784	15,114
--------	--------

Carry forward tax losses

1,882,003	1,355,818
-----------	-----------

1,978,211	1,420,346
-----------	-----------

Deferred Tax Liabilities (at 30%)

Accrued interest income

2,866	1,075
-------	-------

Net deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and in hand

35,598	55,825
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Short-term deposits

1,833,359	856,392
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Cash and cash equivalents as shown in the balance sheet and the statement of cash flows

1,868,957	912,217
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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 Company, and earn interest at the respective short-term deposit rates.

8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Goods and Services Tax receivable

43,969	36,349
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Other receivables

14,466	3,584
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Prepayments

10,106	9,217
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68,541	49,150
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Notes to the Financial Statements continued

30 JUNE 2008

		2008		2007	
		\$		\$	
9. NON-CURRENT ASSETS – RECEIVABLES					
Bonds lodged		49,000		18,500	
10. NON-CURRENT ASSETS - PLANT AND EQUIPMENT					
Plant and equipment					
Cost		54,378		52,728	
Accumulated depreciation		(33,843)		(27,403)	
Net book amount		20,535		25,325	
Plant and equipment					
Opening net book amount		25,325		33,602	
Additions		1,650		354	
Depreciation charge		(6,640)		(8,631)	
Closing net book amount		20,535		25,325	
11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES					
Trade payables		6,509		105,315	
Other payables and accruals		180,873		49,716	
		187,382		155,031	
12. CURRENT LIABILITIES - PROVISIONS					
Employee benefits		45,803		35,101	
Rehabilitation		30,000		-	
		75,803		35,101	
12a. NON-CURRENT LIABILITIES - PROVISIONS					
Employee benefits		2,999		-	
		2008		2007	
13. CONTRIBUTED EQUITY					
(a) Share capital					
	Notes	Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	13(b), 13(d)	77,931,000	7,617,096	50,131,000	5,147,056
Total contributed equity		77,931,000	7,617,096	50,131,000	5,147,056
(b) Movements in ordinary share capital					
Beginning of the financial year		50,131,000	5,147,056	40,821,000	3,835,848
Issued during the year:					
– Issued for cash at 10 cents per share		27,800,000	2,780,000	-	
– Issued for cash at 15 cents per share		-	-	9,300,000	1,395,000
– Issued on conversion of options (20 cents, 30 September 2008)		-	-	10,000	2,000
Less: Transaction costs		-	(309,960)	-	(85,792)
End of the financial year		77,931,000	7,617,096	50,131,000	5,147,056

Notes to the Financial Statements continued

30 JUNE 2008

	2008	2007
13. CONTRIBUTED EQUITY cont		
(c) Movements in options on issue	Number of options	
Beginning of the financial year	29,050,500	20,460,500
Issued during the year:		
– Exercisable at 20 cents, on or before 30 September 2008	-	4,650,000
– Exercisable at 25 cents, on or before 31 December 2008	-	-
– Exercisable at 25 cents, on or before 31 December 2009	-	3,950,000
– Exercisable at 13.5 cents, on or before 30 November 2010	3,000,000	-
Options exercised (20 cents, 30 September 2008)	-	(10,000)
End of the financial year	32,050,500	29,050,500

(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.

14. RESERVES AND ACCUMULATED LOSSES	2008	2007
	\$	\$
(a) Reserves		
<i>Share-based payments reserve</i>		
Balance at beginning of year	321,815	20,825
Employee and contractors share options	-	300,990
Contractors options	147,600	-
Balance at end of year	469,415	321,815
(b) Accumulated losses		
Balance at beginning of year	(4,653,811)	(2,824,199)
Net loss for the year	(1,691,851)	(1,829,612)
Balance at end of year	(6,345,662)	(4,653,811)

(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.

15. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Details of key management personnel***(i) Directors*

The following persons were directors of Jaguar Minerals Limited during the financial year:

Brian Hurley	Non Executive Chairman
Nanette Anderson	Managing Director
Michael Wright	Non Executive Director

Notes to the Financial Statements continued

30 JUNE 2008

16. KEY MANAGEMENT PERSONNEL DISCLOSURES cont

(ii) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Chris Brown	Company Secretary (appointed 15 May 2008)
Michael Busbridge	Exploration Manager
Dennis Wilkins	Company Secretary (resigned 15 May 2008)

(b) Key management personnel compensation

	The Company	
	2008	2007
	\$	\$
Short-term benefits	480,153	363,419
Post employment benefits	39,763	27,288
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	293,370
	519,916	684,077

The Company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in sections A-C of the remuneration report on pages 3 to 5.

(c) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section D of the remuneration report on page 5.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Jaguar Minerals Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2008	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Jaguar Minerals Limited							
Brian Hurley	1,025,000		-	-	1,025,000	1,025,000	-
Nanette Anderson	2,605,000		-	-	2,605,000	2,605,000	-
Michael Wright	1,025,000		-	-	1,025,000	1,025,000	-
Other key management personnel of the Company							
Dennis Wilkins	500,000		-	-	500,000	500,000	-
Michael Busbridge	1,000,000		-	-	1,000,000	1,000,000	-

All vested options are exercisable at the end of the year.

2007	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors of Jaguar Minerals Limited							
Brian Hurley	325,000	700,000	-	-	1,025,000	1,025,000	-
Nanette Anderson	1,605,000	1,000,000	-	-	2,605,000	2,605,000	-
Michael Wright	25,000	1,000,000	-	-	1,025,000	1,025,000	-
Other key management personnel of the Company							
Dennis Wilkins	-	500,000	-	-	500,000	500,000	-
Michael Busbridge	350,000	650,000	-	-	1,000,000	1,000,000	-

Notes to the Financial Statements continued

30 JUNE 2008

16. KEY MANAGEMENT PERSONNEL DISCLOSURES cont

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Jaguar Minerals Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2008

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Jaguar Minerals Limited				
Ordinary shares				
Brian Hurley	50,000	-	50,000	100,000
Nanette Anderson	10,000	-	50,000	60,000
Michael Wright	50,000	-	50,000	100,000
Other key management personnel of the Company				
Ordinary shares				
Dennis Wilkins	-	-	-	-
Michael Busbridge	15,000	-	50,000	65,000

2007

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Jaguar Minerals Limited				
Ordinary shares				
Brian Hurley	50,000	-	-	50,000
Nanette Anderson	10,000	-	-	10,000
Michael Wright	50,000	-	-	50,000
Other key management personnel of the Company				
Ordinary shares				
Dennis Wilkins	-	-	-	-
Michael Busbridge	-	-	15,000	15,000

(d) Loans to key management personnel

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

(e) Other transactions with key management personnel

DW Corporate, 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 included as part of Mr Wilkins' compensation.

James Anderson is related to Nanette Anderson and was paid casual wages for contract work conducted in Tasmania. The amount was not material.

Notes to the Financial Statements continued

30 JUNE 2008

2008	2007
\$	\$

17. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Company, its related practices and non-related audit firms:

(a) Audit services

Stantons International - audit and review of financial reports

Total remuneration for audit services

19,594	20,614
19,594	20,614

(b) Non-audit services

Stantons International – taxation advisory services

Total remuneration for other services

-	2,289
-	2,289

18. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Company at balance date.

19. 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:

within one year

later than one year but not later than five years

177,882	287,800
281,567	386,399
459,449	674,199

(b) Lease commitments: Company as lessee

Operating leases (non-cancellable):

Minimum lease payments

within one year

later than one year but not later than five years

5,000	40,000
-	5,000

Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities

-	45,000
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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. The lease is currently within the renewal term, and there are no further options for renewal within the lease. The lease allows for subletting of all lease areas.

(c) Remuneration commitments

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in section C of the remuneration report on page 5 that are not recognised as liabilities and are not included in the key management personnel compensation.

within one year

later than one year but not later than five years

172,220	162,000
215,275	108,000
387,495	270,000

20. INTERESTS IN JOINT VENTURES

Springfield Project

In April 2008 the Company announced an agreement to enter into an option/joint venture agreement with Rimfire Minerals Corporation ("Rimfire" – TSX-V Code: RFM) to explore Jaguar's Springfield gold project (EL 5991).

Initially, it has been agreed that Rimfire can earn a 51% interest in the Project by spending \$1,000,000 on exploration over 4 years. Following this, the parties will either continue exploration together under a joint venture agreement, or Jaguar may elect not to contribute, allowing Rimfire to earn 100% of the project by spending \$5 million in exploration on the Project and paying to Jaguar scheduled fees. Should Rimfire decide to sell outright its interest in the project prior to earning 100% of the project, Jaguar would receive 40% of all proceeds. If Rimfire exercises the 100% option and decides to sell any interest, Jaguar would receive 15% of proceeds.

Notes to the Financial Statements continued

30 JUNE 2008

21. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Darlot North Project

In July 2008 the Company announced that it has entered into an option/joint venture agreement with Sundowner Minerals N.L. ("Sundowner") (a public unlisted wholly owned subsidiary of Barrick Gold Corporation ("Barrick")).

Sundowner grants the Company the exclusive right to earn an 80% interest in the Base Metal Rights within an area North West of its Darlot mine (Western Australia). The North West Darlot tenement package ("Tenements") covers approximately 40 km², 60km east of the mining town of Leinster, in the north east goldfields of Western Australia. The agreement is such that the Company can earn an 80% interest in the lead, zinc, copper and associated silver rights ("Base Metals") by expending \$1,200,000 on exploration over 5 years.

No other matter or circumstance has arisen since 30 June 2008, 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.

22. CASH FLOW STATEMENT

Reconciliation of net loss after income tax to net cash outflow from operating activities

	The Company	
	2008	2007
	\$	\$
Net loss for the year	(1,691,851)	(1,829,612)
Non-Cash Items		
Depreciation of non-current assets	6,640	8,631
Option expense	-	300,990
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(12,891)	(17,353)
Increase/(decrease) in trade and other payables	32,351	98,279
Increase/(decrease) in provisions	43,701	22,087
Net cash outflow from operating activities	<u>(1,622,050)</u>	<u>(1,416,978)</u>

23. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share

	(1,691,851)	(1,829,612)
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	Number of shares	Number of shares
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(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

	64,297,667	43,269,932
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(c) Information on the classification of options

As the Company has made a loss for the year ended 30 June 2008, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

24. SHARE-BASED PAYMENTS

Employees and Contractors Option Plan

The Company provides benefits to employees (including directors) and contractors of the Company in the form of share-based payment transactions, whereby employees and contractors render services in exchange for options to acquire ordinary shares. All options issued to employees (including directors) have an exercise price of 25 cents and exercise dates ranging from 31 December 2008 to 31 December 2009. All options issued to contractors have an exercise price of 13.5 cents and an exercise date of 30 November 2010.

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.

Notes to the Financial Statements continued

30 JUNE 2008

24. SHARE-BASED PAYMENTS cont.

Set out below are summaries of the options granted:

	The Company			
	2008		2007	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	6,550,000		2,600,000	25.0
Granted	3,000,000	13.5	3,950,000	25.0
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	9,550,000	21.4	6,550,000	25.0
Exercisable at year-end	9,550,000	21.4	6,550,000	25.0

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.5 years (2007: 2.1 years), with an average exercise price of 21.4 cents.

The weighted average fair value of the options granted during the year was 4.9 cents (2007: 7.6 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2008	2007
Weighted average exercise price (cents)	13.5	25.0
Weighted average life of the option (years)	2.91	3.08
Weighted average underlying share price (cents)	11.0	18.0
Expected share price volatility	70%	70%
Risk free interest rate	6.75%	6.25%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future.

Expenses arising from share-based payment transactions

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

	The Company	
	2008	2007
	\$	\$
Options issued to employees and contractors	-	300,990

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 32 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the financial year ended on that date; 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; and
- (c) the audited remuneration disclosures set out on pages 3 to 5 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001.

The directors have been given the declarations by those officers who perform the functions of chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



Nanette Anderson
Managing Director

Perth, 15 September 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR MINERALS LIMITED

Report on the Financial Report and the AASB 124 remuneration disclosures contained in the Directors' Report

We have audited the accompanying financial report of Jaguar Minerals Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

We have also audited the remuneration disclosures contained in the Directors' Report under the heading "remuneration report" on pages 3 to 5.

Directors' responsibility for the Financial Report and the AASB 124 remuneration disclosures contained in the Directors' Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' Report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion that the remuneration disclosures contained in the Directors' Report comply with Australian Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the Directors' Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the Directors' Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair

presentation of the financial report and the remuneration disclosures contained in the Directors' Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' Report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of Jaguar Minerals Limited is 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 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1.

Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report

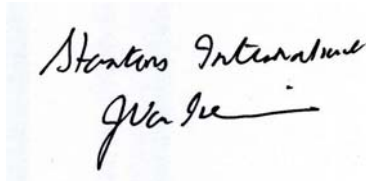
In our opinion the remuneration disclosures that are contained in pages 3 to 5 of the Directors' Report comply with section 300 A of the Corporations Act 2001.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 30 June 2008 the entity had working capital of \$1,674,313 and had incurred a loss for the year of \$1,691,851. The ability of the entity to continue as a going concern is subject to the successful recapitalisation of the Company. In the event that the Board is not successful in recapitalising the Company and in raising further funds, the entity may not be able to continue in its present form and may not be able to meet its planned commitments.

STANTONS INTERNATIONAL
(An Authorised Audit Company)



J P Van Dieren- Director
West Perth, Western Australia
15 September 2008