Jaguar Minerals Limited

ABN 43 107 159 713

Annual Financial Report

for the year ended 30 June 2010

Corporate Information

ABN 43 107 159 713

Directors
Richard Monti (Non Executive Chairman)
Nanette Anderson (Non Executive Director)
Andrew Parker (Non Executive Director)

Company Secretary
Lynton McCreery

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
Australian Securities Exchange
Jaguar Minerals Limited
ASX Code: JAG

Contents

Directors' Report

Your directors submit their report for the year ended 30 June 2010.

DIRECTORS

The names and details of the directors of Jaguar Minerals Limited ("the Company") 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

Non Executive Chairman

Richard Monti, BSc (Hons), Grad Dip Applied Finance & Investment, MAusIMM (Appointed 14.10.2009)

Mr Monti has broad experience over a twenty four year career working in the technical, marketing and financial fields of the international exploration and mining industry.

He has worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. During a seven year term at Anaconda Nickel he held General Manager positions in technical, commercial and marketing fields.

He has also held positions on the boards of a number of Australian Stock Exchange listed and private mining companies. Mr Monti has qualifications in Geology (Bachelor of Science with Honours from the University of Western Australia) and Finance (Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia).

Directorships of other listed companies held in last 3 years:

Transit Holdings Ltd;
Whinnen Resources Ltd;
Poseidon Nickel Ltd;
Epsilon Minerals Limited;
Bathurst Resources Ltd.

Non Executive Director

Nanette Anderson, BSc (Hons), MAusIMM
Ms Anderson has worked in the exploration and mining industry for over a decade. With a background in geology she has experience exploring and developing gold, diamond and base metal projects throughout Australia and Indonesia. Her particular area of expertise at that time included 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 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.

As announced on the 16th August 2010, Ms Anderson has resigned from executive duties with Jaguar Minerals Ltd on the 10th September to become a non-executive director of the Company.

Directorships of other listed companies held in last 3 years:

Nil

Non Executive Director

Andrew Parker LLB (Appointed 14.10.2009)
Mr Parker holds a law degree from the University of Western Australia and has extensive experience in the exploration and mining industry.

Mr Parker was the co-founder and until December 2008 was the managing director of Perth based corporate advisory and venture capital firm, Trident Capital Pty Ltd. Prior to establishing Trident Capital Pty Ltd in 2002 Mr Parker was legal counsel to B Digital Limited, an ASX listed company, with his principal role being to oversee the international expansion of the company into South Africa and the USA. Mr Parker remained in the USA as Chief Operating Officer of B Digital USA, Inc. until late 2001.

Mr Parker is currently a director of ASX listed Total Staffing Solutions Limited and has previously held a number of board positions with listed and unlisted public companies.

Directorships of other listed companies held in last 3 years:

Humanis Limited;
Clean Global Energy Ltd (formerly International Resources Holdings Ltd);
Stonehenge Metals Limited;
Transit Holdings Limited.

(Mr M Wright and Mr B. Hurley resigned as non-executive Directors on 9th October 2009 and 11 November 2009 respectively).

Directors' Report continued

Company Secretary

Lynton McCreery

Mr McCreery is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed Australian companies over the past 29 years.

Mr McCreery is a member of Certified Practicing Accountants and has had extensive experience in capital raisings specifically for the Resources industry and is the Principal of Rymad Consultants Pty Ltd, providing company secretarial, accounting, advisory and administrative management services. Mr McCreery is also Company Secretary for Herald Resources Ltd and other company's.

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
Richard Monti	6,887,500	500,000
Nanette Anderson	90,000	1,000,000
Andrew Parker	630,557	1,000,000

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 2010 financial year with a cash reserve of $757,592.

During the year total tenement acquisition and exploration expenditure incurred by the Company amounted to $546,281. In line with the company's accounting policies, all exploration expenditure was written off at year end. Net administration expenditure incurred amounted to $535,654. This has resulted in an operating loss after income tax for the year ended 30 June 2010 of $1,081,935 (2009: $1,026,951).

At 30 June 2010 available cash funds totalled $678,415.

Operating Results for the Year

Summarised operating results are as follows:

	2010	
	Revenues $	Results $
Geographic segments		
Australia		
Revenues and loss from ordinary activities before income tax expense	**63,768**	(1,081,935)

Shareholder Returns

	2010	2009
Basic loss per share (cents)	**(0.9)**	(1.3)

Directors' Report continued

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

There have been no significant changes in the affairs of the Company during the year.

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.

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.

Directors' Report continued

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.

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 pages 3 to 4 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						
Richard Monti						
2010	**17,567**	**-**	**1,581**	**-**	**27,312**	**46,460**
2009 (i)	N/A	N/A	N/A	N/A	N/A	N/A
Nanette Anderson						
2010	**162,268**	**14,710**	**14,604**	**-**	**27,312**	**218,894**
2009	163,753	16,831	14,739	-	-	195,323
Andrew Parker						
2010	**17,567**	**-**	**1,581**	**-**	**27,312**	**46,460**
2009 (i)	N/A	N/A	N/A	N/A	N/A	N/A
Brian Hurley						
2010	**23,333**	**-**	**2,100**	**-**	**-**	**25,433**
2009 (ii)	35,000	-	3,150	-	-	38,150
Michael Wright						
2010	-	-	**12,500**	-	-	**12,500**
2009 (iii)	25,000	-	2,250	-	-	27,250

Directors' Report continued

Other key management personnel						
Chris Brown						
2010	-	-	-	-	-	-
2009	29,155	-	2,359	-	-	31,514
Lynton McCreery						
2010	**20,925**	**-**	**-**	**-**	**-**	**20,925**
2009	7,450	-	-	-	-	7,450
Michael Busbridge						
2010	**111,819**	**-**	**10,559**	**-**	**-**	**122,378**
2009	114,334	-	3,373	-	-	117,707
Total key management personnel compensation						
2010	**353,479**	**14,710**	**42,925**	**-**	**81,936**	**493,050**
2009	374,692	16,831	25,871	-	-	417,394

(i.) Richard Monti and Andrew Parker were appointed Directors on October 14 2009
(ii.) Brian Hurley resigned as a Director on 30 November 2009.
(iii.) Michael Wright resigned as a Director on 14 October 2009.

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 $172,200 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 3,000,000 options issued to directors 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 eleven meetings of directors. The attendance of directors at meetings of the board were:

	Directors' Meetings 2010	
	A	B
Richard Monti	**7**	**7**
Nanette Anderson	**11**	**11**
Andrew Parker	**6**	**7**
Brian Hurley	**5**	**5**
Michael Wright	**3**	**3**

Notes

A - Number of meetings attended.

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

Directors' Report continued

SHARES UNDER OPTION

At the date of this report there are 6,000,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	**6,950,000**
Movements of share options during the year	
Unquoted Securities Expired 31 December 2009	(3,950,000)
Unquoted Securities Expiring 31 December 2012	3,000,000
Total number of options outstanding as at 30 June 2010 and the date of this report	**6,000,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 Nov 2010 (unquoted)	13.5	3,000,000
31 Dec 2012 (unquoted)	9	3,000,000
Total number of options outstanding at the date of this report		**6,000,000**

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 $7,892

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:

	2010 $	2009 $
Tax compliance services	-	-

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 9.

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.

N Anderson

Nanette Anderson
Director

Perth, 20 September 2010

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20 September 2010

Board of Directors
Jaguar Minerals Limited
Level 3, 50 Colin Street
WEST PERTH WA 6005

Dear Sirs

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 2010, 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 Faithfully

STANTONS INTERNATIONAL
(Authorised Audit Company)

Keith Lingard
Director

Liability limited by a scheme approved under Professional Standards Legislation

Member of Russell Bedford International

Russell Bedford

Independance declaration

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.

Disclosure on Web Site

The Company’s Corporate Governance Policies can be viewed on its website www.jaguarminerals.com.au under the Company Principle tag.

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

Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2010	Notes	The Company	
		2010	2009
		$	$
REVENUE FROM CONTINUING OPERATIONS	4	**63,768**	64,336
EXPENDITURE			
Exploration expenses	5	**(546,281)**	(551,965)
Salaries and employee benefits expense		**(274,671)**	(292,292)
Depreciation expense	5	**(5,928)**	(6,093)
Corporate expenses		**(25,019)**	(20,025)
Occupancy expenses		**(70,722)**	(73,720)
Consulting expenses		**(55,256)**	(43,777)
Administration expenses		**(54,220)**	(46,313)
Share based payment expense	24	**(81,936)**	-
Other expenses		**(31,670)**	(57,102)
LOSS BEFORE INCOME TAX		**(1,081,935)**	(1,026,951)
INCOME TAX	6	-	-
TOTAL LOSS FOR THE YEAR		**(1,081,935)**	(1,026,951)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE (LOSS)		**(1,081,935)**	(1,026,951)
Loss attributed to the Members		**(1,081,935)**	(1,026,951)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTED TO THE MEMBERS		**(1,081,935)**	(1,026,951)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	23	**(0.9)**	(1.3)

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

Statement of Financial Position

AT 30 JUNE 2010

	Notes	The Company 2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	7	**678,415**	757,592
Trade and other receivables	8	**32,569**	26,144
TOTAL CURRENT ASSETS		**710,984**	783,736
NON-CURRENT ASSETS			
Receivables	9	**87,000**	60,000
Plant and equipment	10	**18,460**	19,239
TOTAL NON-CURRENT ASSETS		**105,460**	79,239
TOTAL ASSETS		**816,444**	862,975
CURRENT LIABILITIES			
Trade and other payables	11	**70,151**	101,859
Provisions	12	**31,476**	13,641
TOTAL CURRENT LIABILITIES		**101,627**	115,500
NON - CURRENT LIABILITIES			
Provisions	12(a)	**44,392**	32,577
TOTAL LIABILITIES		**146,019**	148,077
NET ASSETS		**670,425**	714,898
EQUITY			
Contributed equity	13	**8,573,622**	7,618,096
Reserves	14(a)	**551,351**	469,415
Accumulated losses	14(b)	**(8,454,548)**	(7,372,613)
TOTAL EQUITY		**670,425**	714,898

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

Statement of Changes in Equity

	Issued Capital	Share-based payments Reserve	Accumulated losses	Total Equity
	$	$	$	$
2010				
Balance at 1 July 2009	**7,618,096**	**469,415**	**(7,372,613)**	**714,898**
Profit (Loss) for period	**-**	**-**	**(1,081,935)**	**(1,081,935)**
Reserve	**-**	**81,936**	**-**	**81,936**
Issue of shares	**974,200**	**-**	**-**	**974,200**
Share Issue Expense	**(18,674)**	**-**	**-**	**(18,674)**
Balance at 30 June 2010	**8,573,622**	**551,351**	**(8,454,548)**	**670,425**
2009				
Balance at 1 July 2008	7,617,096	469,415	(6,345,662)	1,740,849
Profit (Loss) for period	-	-	(1,026,951)	(1,026,951)
Issue of shares	1,000	-	-	1,000
Balance at 30 June 2009	7,618,096	469,415	(7,372,613)	714,898

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 2010	Notes	The Company	
		2010	2009
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(494,375)**	(553,232)
Interest received		**28,833**	70,965
Other income received		**23,986**	25,400
Expenditure on mining interests		**(560,109)**	(646,201)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	22	**(1,001,665)**	(1,103,068)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(5,518)**	(4,797)
Payment of bonds		**(27,520)**	(4,500)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		**(33,038)**	(9,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**974,200**	1,000
Payment of share issue costs		**(18,674)**	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**955,526**	1,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(79,177)**	(1,111,365)
Cash and cash equivalents at the beginning of the financial year		**757,592**	1,868,957
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**678,415**	757,592

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 2010

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 2010 was authorised for issue in accordance with a resolution of the Board of Directors on 20 September 2010. 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.

Going Concern

The directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors believe this to be appropriate for the following reasons:

- The group has net working capital of $609,357, including a cash reserve of $678,415 at 30 June 2010;
- The corporate and administrative cost overheads of the Group have been restructured to achieve a reasonable level of cost reductions;
- The company is reviewing opportunities to raise further equity from interested investors; and
- The company is reviewing opportunities to joint venture the projects it currently holds.

Having regard to these factors the directors are of the opinion that the basis upon which the financial statements are presented is appropriate in the circumstances. In the event that further capital cannot be raised, the Company may be required to realise its assets and extinguish its liabilities other than in the normal course of the business and at amounts different from those stated in the financial statements. The financial statements do not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

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.

Notes to the Financial Statements continued

30 JUNE 2010

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

(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 nor 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.

(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.

Notes to the Financial Statements continued

30 JUNE 2010

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

(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.

(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.

Notes to the Financial Statements continued

30 JUNE 2010

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

(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.

(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.

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.

Notes to the Financial Statements continued

30 JUNE 2010

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

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 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 for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows;

AASB 9: Financial Instruments and AASB 2009-11; Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 138, 139, 1023 & 1038 and Interpretations 10 & 121 (applicable for annual reporting periods commencing on or alter 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

Notes to the Financial Statements continued

30 JUNE 2010

- The changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
  - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on;
    a. the objective of the entity's business model for managing the financial assets; and
    b. the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.
- AASB 2009-5; Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.
- AASB 2009-8; Amendments to Australian Accounting Standards - Company Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.
- AASB 2009-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.
- AASB 2009-10: Amendments to Australian Accounting Standards - Classification of Rights Issues] AASB 132] applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.
- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.
- AASB 2009-14: Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This standard will not impact the Company.

Notes to the Financial Statements continued

30 JUNE 2010

- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

(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:

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.

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 2010, 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 $6,353 lower/higher (2009 – change of 100 bps: $7,576 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:

2010		Fixed interest rate maturing in:					
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
Financial instrument	$	$	$	$	$	$	%
Financial assets							
Cash and cash equivalents	**43,068**	**635,347**	-	-	-	**678,415**	5.2
Trade and other receivables	-	-	-	-	**32,569**	**32,569**	-
Total financial assets	**43,068**	**635,347**	-	-	**32,569**	**710,984**	
Financial liabilities							
Trade creditors					**9,940**	**9,940**	-
Other creditors and accruals					**60,211**	**60,211**	-
Total financial liabilities					**70,151**	**70,151**	

Notes to the Financial Statements continued

30 JUNE 2010

2. FINANCIAL RISK MANAGEMENT (cont'd)

2009		Fixed interest rate maturing in:					
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
Financial instrument	$	$	$	$	$	$	%
Financial assets							
Cash and cash equivalents	4,778	752,814	-	-	400	757,992	3
Trade and other receivables					86,144	86,144	-
Total financial assets	4,778	752,814			86,544	844,136	
Financial liabilities							
Trade creditors					26,470	26,470	-
Other creditors and accruals					75,389	75,389	-
Total financial liabilities					101,859	101,859	

(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

The Company operates in predominantly one business and geographical segment, being mineral exploration in Australia.

4. REVENUE

	The Company	
	2010	2009
	$	$
From continuing operations		
Other revenue		
Interest	**27,896**	63,936
Sundry Income	**35,872**	400
	63,768	64,336

5. EXPENSES

Loss before income tax includes the following specific expenses:

Depreciation of plant and equipment	**5,928**	6,093

Notes to the Financial Statements continued

30 JUNE 2010

Exploration and evaluation expenditure	**546,281**	551,965

6. INCOME TAX

	The Company	
	2010	2009
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior years	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(1,081,935)**	(1,026,951)
Prima facie tax benefit at the Australian tax rate of 30% (2008: 30%)	**(324,581)**	(308,085)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	**451**	258
	(324,129)	(307,827)
Unrecognised temporary differences	**(13,928)**	(25,368)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**338,057**	333,195
Income tax expense/(benefit)	-	-
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
On Income Tax Account		
Section 40-880 deductions	**31,197**	46,246
Accumulated depreciation	**1,777**	1,209
Accruals and provisions for employee entitlements	**27,038**	21,053
Carry forward tax losses	**2,553,255**	2,215,198
	2,613,266	2,283,706
Deferred Tax Liabilities (at 30%)		
Accrued interest income	-	464

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	**43,068**	4,778
Short-term deposits	**635,347**	752,814
Cash and cash equivalents as shown in the balance sheet and the statement of cash flows	**678,415**	757,592

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	**5,274**	9,467
Other receivables	**12,407**	1,458
Prepayments	**14,888**	15,219
	32,569	26,144

Notes to the Financial Statements continued

30 JUNE 2010

None of the above receivables are past due and therefore are not impaired and are within initial trade terms.

	2010 $	2009 $
9. NON-CURRENT ASSETS – RECEIVABLES		
Bonds lodged	**87,000**	60,000
10. NON-CURRENT ASSETS - PLANT AND EQUIPMENT		
Plant and equipment		
Cost	**58,439**	59,175
Accumulated depreciation	**(39,979)**	(39,936)
Net book amount	**18,460**	19,239
Plant and equipment – movement		
Opening net book amount	**19,239**	20,535
Additions	**5,518**	4,797
Write off	**(370)**	
Depreciation charge	**(5,927)**	(6,093)
Closing net book amount	**18,460**	19,239
11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	**9,941**	26,470
Other payables and accruals	**60,210**	75,389
	70,151	101,859
12. CURRENT LIABILITIES - PROVISIONS		
Employee benefits	**31,476**	13,641
12a. NON-CURRENT LIABILITIES - PROVISIONS		
Employee benefits	**14,392**	2,577
Rehabilitation	**30,000**	30,000
	44,392	32,577

13. CONTRIBUTED EQUITY

(a) Share capital

	Notes	2010 Number of shares	2010 $	2009 Number of shares	2009 $
Ordinary shares fully paid	13(b), 13(d)	**116,904,000**	**8,573,622**	77,936,000	7,618,096
Total contributed equity		**116,904,000**	**8,573,622**	77,936,000	7,618,096

(b) Movements in ordinary share capital

	2010 Number of shares	2010 $	2009 Number of shares	2009 $
Beginning of the financial year	**77,936,000**	**7,618,096**	77,931,000	7,617,096
Issued during the year:				
– Issued for cash at 2.5 cents	**38,968,000**	**974,200**	-	-
– Issued on conversion of options (20 cents, 30 September 2008)	-	-	5,000	1,000
Less: Transaction costs	-	**(18,674)**	-	-
End of the financial year	**116,904,000**	**8,573,622**	77,936,000	7,618,096

Notes to the Financial Statements continued

30 JUNE 2010

13. CONTRIBUTED EQUITY (cont'd)

(c) Movements in options on issue	2010 Number of options	2009 Number of options
Beginning of the financial year	**6,950,000**	32,050,500
Issued during the year:		
– Expired 30 September 2008		(22,495,500)
– Expired 31 December 2008		(2,600,000)
– Expired 31 December 2009	**(3,950,000)**	-
- Exercisable at 9c, on or before 31 December 2012	**3,000,000**	(5,000)
End of the financial year	**6,000,000**	6,950,000

(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

	2010 $	2009 $
(a) Reserves		
Share-based payments reserve		
Balance at beginning of year	**469,415**	469,415
Directors options	**81,936**	-
Balance at end of year	**551,351**	469,415
(b) Accumulated losses		
Balance at beginning of year	**(7,372,613)**	(6,345,662)
Net loss for the year	**(1,081,935)**	(1,026,951)
Balance at end of year	**(8,454,548)**	(7,372,613)

(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:

Richard Monti	Non Executive Chairman (Appointed 14.10.2009)
Nanette Anderson	Non Executive Director
Andrew Parker	Non Executive Director (Appointed 14.10.2009)
Brian Hurley	Non Executive Chairman (Resigned 30.11.2009)
Michael Wright	Non Executive Director (Resigned 14.10.2009)

Notes to the Financial Statements continued

30 JUNE 2010

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

(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:

Lynton McCreery	Company Secretary
Michael Busbridge	Exploration Manager (Resigned 22.07.2010)

(b) Key management personnel compensation

	The Company	
	2010	2009
	$	$
Short-term benefits	**353,479**	374,692
Post employment benefits	**42,925**	25,871
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	**81,936**	-
	493,050	400,563

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 5 to 7.

(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 7.

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

(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:

2010	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							
Richard Monti	-			500,000 (2)	500,000	500,000	
Nanette Anderson	1,000,000	-	-	1,000,000 (2)	1,000,000	1,000,000	
Andrew Parker	-			1,000,000 (2)	1,000,000	1,000,000	
Brian Hurley	700,000	-	-	(700,000) (1)	-	-	
Michael Wright	1,000,000	-	-	(1,000,000) (1)	-	-	
Other key management personnel of the Company							
Michael Busbridge	1,000,000	-	-	-	1,000,000	1,000,000	
Lynton McCreery	-	-	-	-	-	-	-

(1) Options expired during the financial year

(2) Options issued during the financial year

2009	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	-	-	(325,000) (1)	700,000	700,000	
Nanette Anderson	2,605,000	-	-	(1,605,000) (1)	1,000,000	1,000,000	
Michael Wright	1,025,000	-	-	(25,000) (1)	1,000,000	1,000,000	
Other key management personnel of the Company							
Michael Busbridge	1,000,000	-	-	-	1,000,000	1,000,000	
Lynton McCreery	-	-	-	-	-	-	-

Notes to the Financial Statements continued

30 JUNE 2010

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

(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.

2010	Balance at start of the year	Received during the year on the exercise of options	Acquired during the year	Balance at end of the year
Directors of Jaguar Minerals Limited				
Ordinary shares				
Richard Monti	**-**	**-**	**6,887,500**	**6,887,500**
Nanette Anderson	**60,000**	**-**	**30,000**	**90,000**
Andrew Parker	**-**		**630,557**	**630,557**
Brian Hurley	**100,000**	**-**	**50,000**	**150,000**
Michael Wright	**100,000**	**-**	**-**	**100,000**
Other key management personnel of the Company				
Ordinary shares				
Michael Busbridge	**65,000**	**-**	**25,000**	**90,000**
Lynton McCreery	**100,000**	**-**	**50,000**	**150,000**

2009	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	100,000	-	-	100,000
Nanette Anderson	60,000	-	-	60,000
Michael Wright	100,000	-	-	100,000
Other key management personnel of the Company				
Ordinary shares				
Michael Busbridge	65,000	-	-	65,000
Lynton McCreery	-	-	100,000	100,000

(d) Loans to key management personnel

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

(e) Other transactions with key management personnel

Rymad Consultants Pty Ltd, a business of which Mr McCreery 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 McCreery's compensation.

Notes to the Financial Statements continued

30 JUNE 2010

	2010 $	2009 $

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:

	2010 $	2009 $
(a) Audit services		
Stantons International - audit and review of financial reports	**10,058**	26,598
Total remuneration for audit services	**10,058**	26,598
(b) Non-audit services		
Stantons International – taxation advisory services	-	-
Total remuneration for other services	-	-

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:

	2010 $	2009 $
within one year	**328,435**	401,296
later than one year but not later than five years	**500,000**	592,608
	828,435	993,904

The Company has been granted a government Co-Funded Drilling Grant offered under the WA Exploration Incentive Scheme. This grant was awarded for the Company's proposed drilling programme targeting " base metal" (zinc, lead and associated copper) mineralisation at the North Darlot Project. Pursuant to the terms of the award the Company will receive matching funding of up to $150,000

(b) Lease commitments: Company as lessee

	2010 $	2009 $
Operating leases (non-cancellable):		
Minimum lease payments		
within one year	-	3,250
later than one year but not later than five years	-	-
Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	-	3,250

(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 7 that are not recognised as liabilities and are not included in the key management personnel compensation.

	2010 $	2009 $
within one year	**87,222**	172,220
later than one year but not later than five years	-	258,300
	87,222	430,520

20. INTERESTS IN JOINT VENTURES

Darlot Project

In July 2008 Jaguar Minerals Ltd finalised an option/joint venture agreement with Sundowner Minerals N.L. (a public unlisted wholly owned subsidiary of Barrick Gold Corporation ("Barrick")). Jaguar has the right to earn an 80% interest in the lead, zinc, copper and associated silver rights ("Base Metals") by expending $1.2M on exploration over 5 years. The option/joint venture agreement allows Jaguar to explore for base metals on a package of Sundowner's Darlot tenements in the Leonora region of Western Australia.

Notes to the Financial Statements continued

30 JUNE 2010

21. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Since the end of the financial year Ms N. Anderson has stepped down as Managing Director and will continue as non-executive Director.

22. CASH FLOW STATEMENT

	The Company 2010 $	The Company 2009 $
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(1,081,935)**	(1,026,951)
Non-Cash Items		
Depreciation of non-current assets	**5,928**	6,093
Write off Plant & Equipment	**370**	-
Share based payment expense	**81,936**	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(6,426)**	35,898
Increase/(decrease) in trade and other payables	**(13,353)**	(110,524)
Increase/(decrease) in provisions	**11,815**	(7,584)
Net cash outflow from operating activities	**(1,001,665)**	(1,103,068)

23. LOSS PER SHARE

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

	2010 $	2009 $
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(1,081,935)**	(1,026,951)

(b) Weighted average number of shares used as the denominator

	Number of shares	Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**116,904,000**	77,936,000

(c) Information on the classification of options

As the Company has made a loss for the year ended 30 June 2010, 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

In a prior year The Company provided benefits to contractors of the Company in the form of share-based payment transactions, whereby contractors render services in exchange for options to acquire ordinary shares.

All options issued to contractors have an exercise price of 13.5 cents and an expiry 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.

24. SHARE-BASED PAYMENTS (cont'd).

Set out below are summaries of the options granted:

	The Company			
	2010		2009	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	**6,950,000**	**20**	9,550,000	21.4
Granted	**3,000,000**	**9**	-	-
Forfeited	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**(3,950,000)**	**-**	(2,600,000)	-
Outstanding at year-end	**6,000,000**	**11**	6,950,000	20
Exercisable at year-end	**6,000,000**	**11**	6,950,000	20

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 2.9 years (2009: 0.9 years), with an average exercise price of 12 cents.

The weighted average fair value of the options granted during the year was 2.7 cents (2009: nil cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2010	2009
Weighted average exercise price (cents)	**9**	-
Weighted average life of the option (years)	**1.5**	-
Weighted average underlying share price (cents)	**2.7**	-
Expected share price volatility	**80%**	-
Risk free interest rate	**5.03%**	-

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	
	2010	2009
	$	$
Options issued to employees and contractors.	**81,936**	**-**

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 15 to 34 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 2010 and of it's 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 5 to 7 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001.

(d) that the following statement is included in the notes to the Financial Report;

"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)".

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
Director

Perth, 20 September 2010

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

Report on the Financial Report

We have audited the accompanying financial report of Jaguar Minerals Limited , which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the Financial 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(a), 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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial 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 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.

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 2010 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(a).

Auditor's opinion

In our opinion the remuneration report of Jaguar Minerals Limited for the year ended 30 June 2010 complies 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(a) to the financial statements, the financial statements have been prepared on the going concern basis. At 30 June 2010 the entity had working capital of $609,357 and had incurred a loss for the year of $1,081,935. 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)

Stantons International

Keith Lingard
Director
West Perth, Western Australia
20 September 2010

ASX Additional Information

To the Members of Jaguar Minerals Limited

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

The information is current as at 14 September 2010.

a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Spread of Holdings	Ordinary Shares Number of Holders	Number of Shares
1 - 1,000	56	14,148
1,001 - 5,000	23	82,139
5,001 - 10,000	99	912,011
10,001 - 100,000	178	6,963,145
100,001 and above	136	108,932,557
TOTAL ON REGISTER	**492**	**116,904,000**

The number of equity security holders holding less then a marketable parcel of securities are:	240	2,003,891

b) Twenty largest shareholders

The names of the twenty largest shareholders of quoted ordinary shares are:

		Listed ordinary shares Number of shares	Percentage of ordinary shares
1.	Riverview Corporation Pty Ltd	9,112,500	7.79%
2.	Greatcity Corporation Pty Ltd	5,887,500	5.04%
3.	Weybridge Pty Ltd	4,738,500	4.05%
4.	Arlington Capital Pty Ltd	4,500,000	3.85%
5.	Surfboard Pty Ltd	4,250,000	3.64%
6.	Broderick Nominees Pty Ltd	3,793,500	3.24%
7.	Dahele Pty Ltd	3,150,000	2.69%
8.	Pointdale Pty Ltd	3,000,000	2.57%
9.	Parker Ian MP & CS	2,500,000	2.14%
10.	ABN Amro Clearing Sydney	1,972,513	1.69%
11.	Murdoch Capital Pty Ltd	1,750,000	1.50%
12.	Banovich David & Beverly	1,650,000	1.41%
13.	Australian Mineral Investors Pty Ltd	1,619,087	1.38%
14.	ANZ Nominees Ltd	1,612,500	1.38%
15.	Mandolin Nominees Pty Ltd	1,500,000	1.28%
16.	Jemaya Pty Ltd	1,440,000	1.23%
.17.	Goldbondsuper Pty Ltd	1,429,980	1.22%
18.	Celery Pty Ltd	1,300,000	1.11%
19.	Connelly Damian	1,288,947	1.10%
20.	Todd Kenneth R & RE	1,200,000	1.03%
	Top 20 Total	57,695,027	49.34%

ASX Additional Information

c) Substantial Shareholders

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

	Number of Shares	Percentage of ordinary shares
RIVERVIEW CORPORATION PTY LTD	9,112,500	7.79%
GREATCITY CORPORATION PTY LTD	5,887,500	5.04%

d) Voting rights

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

e) Schedule of interests in mining tenements

Location	*Tenement ID*	*Percentage held/earning*
Mount David – NSW	EL 5242	100%
Mount Jukes – TAS	EL 51/2008	100%
Miners Ridge – TAS	EL 12/2009	100%
Springfield – NSW	EL 5991	100%
Temma – TAS	EL 27/2005	100%
Wilson River – TAS	EL 23/2003	100%
North Darlot - WA	M37/0373	*80% of base metal rights*
North Darlot - WA	M37/0417	*80% of base metal rights*
North Darlot - WA	M37/0418	*80% of base metal rights*
North Darlot - WA	M37/0419	*80% of base metal rights*
North Darlot - WA	M37/592	*80% of base metal rights*
North Darlot - WA	M37/608	*80% of base metal rights*