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## WEST ROCK ALLIANCE SIGNS AGREEMENT TO ACQUIRE UP TO 80% OF LARGE COPPER AND MANGANESE PROJECT FROM SANDFIRE RESOURCES

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- Exploration to begin immediately, sole funded by Cliffs, with West Rock as operator
- Partnership with strong mid-tier mining company to de-risk path to production
- No impact on West Rock's Colombian activities
- High-potential exploration projects comprising more than 2,000 km<sup>2</sup> of land tenure
- Located close to access road infrastructure leading to existing port
- Potential for discovery of economic copper and manganese deposits
- Staged earn-in style vend terms with no cash payments
- Highly-regarded Sandfire Resources retaining minority ownership (20%)

Jaguar Minerals Limited ("Jaguar" or "Company") is pleased to announce that West Rock Resources ("West Rock") and its Strategic Alliance Partner Cliffs Natural Resources Exploration Inc. ("Cliffs") have signed a binding agreement with Sandfire Resources NL ("Sandfire") to acquire up to an 80% interest in the Borroloola West Project located in the Northern Territory covering 2,062 km<sup>2</sup>.

On 10 June 2013, Jaguar announced it had successfully completed Due Diligence for the acquisition of West Rock and that both parties have agreed to proceed with the acquisition of all the issued capital of West Rock by Jaguar under the terms set out in the announcement dated 7 May 2013. The acquisition remains subject to shareholder approval at a General Meeting of Jaguar Shareholders to be held on 22 July 2013.

### The Project

The Borroloola project is a large greenfields exploration opportunity of 2,062 km<sup>2</sup> for **Cu** and **Mn** in East Arnhem Land of the NT, 600 km SE of Darwin.

- The basement to the tenements is the Neoproterozoic McArthur Basin, the northern extension of the Mt Isa Basin and host to several world-class SEDEX deposits including the Western Fold Belt copper deposits at Mt Isa and the HYC lead/zinc/silver deposits currently being mined at the McArthur River Mine just 80 km south of the project area.
- Several partly drill-tested geochemical and geophysical anomalies, and numerous untested Cu prospects remain to be evaluated in areas with structural and stratigraphic (black shale sub-basins) settings favourable for the formation of large economic Cu and base metal deposits.

- The project area lies 175 km SSW of the world class Groote Eylandt manganese mine and consists of the same marine Cretaceous units as at Groote with similar paleogeographic setting and depositional environment. Cretaceous basins underlying tenements are still relatively unexplored with several partly drilled Mn projects and numerous untested geophysical anomalies.
- The highly prospective near coastal concession ELA26599 has never been drilled or adequately sampled for Mn.
- The project is located close to Bing Bong port on Gulf of Carpentaria and sealed airstrip at Borroloola.

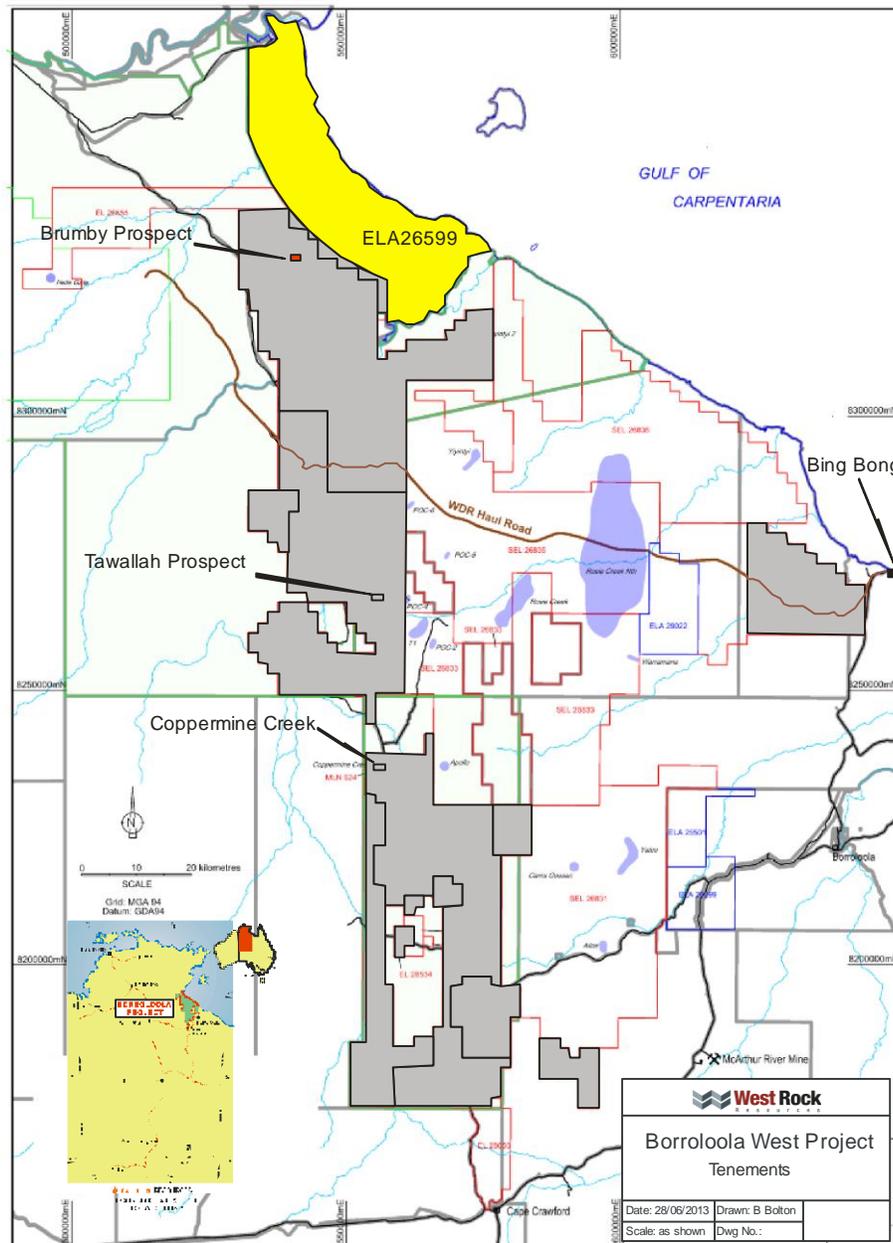


Figure 1. Map showing the location Borroloola West Project tenements (shown in light grey).

## Geology & Exploration History

- Basement consists of a thick sequence of sedimentary and volcanic rocks of Paleo to Mesoproterozoic McArthur Basin and includes the Tawallah, McArthur, Nathan & Roper River Groups.
- Partly overlain by highly weathered Cretaceous sediments composed of fine-coarse sandstone, siltstone & claystone.
- Quaternary sediments consists of loose sand to sandy clay with transported iron and sometimes manganese rich pisoliths.

### Copper (Tawallah 1 prospect)

- Copper, and other base metals have been the focus of previous exploration on the tenements at least since 1960's. This work involved geological mapping at various scales, geophysical surveys (including airmag, EM and gravity), and drilling.
- In 2010, 69 RC holes (8,179m) were drilled at the Tawallah 1 prospect by Sandfire Resources with a follow up, 32 hole RC (2,984m) program in 2011. Figure 2 outlines a Cu anomalous zone resulting from this work measuring at least **3.5km x 1.5km**.

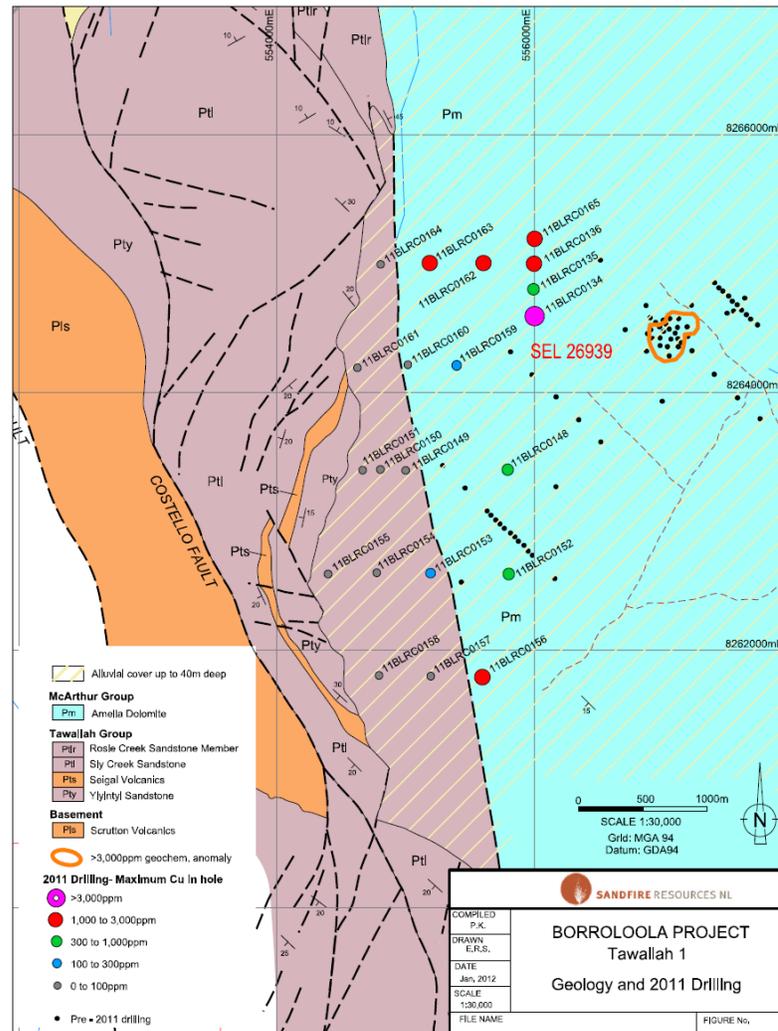


Figure 2. Geology and maximum copper content in 2011 RC drilling undertaken by Sandfire Resources

### **Manganese**

- Manganese mineralisation is widespread in Cretaceous age sediments from within the project area with previous drilling by BHP, mainly in the 1990's, and Sandfire Resources, since 2008, reporting significant intersections including those at Brumby (SEL 26837) (Fig. 1)
- Airmag was flown in July 1992 @ 1km line spacing. VTEM was flown in July 2008 with numerous untested anomalies, particularly in northern areas.
- Numerous intersections of manganese sediment close to ore grades and in places containing oolitic and pisolitic material similar to mineralisation found on Groote Eylandt occur at several locations within the project area and remain to be fully evaluated by further drill testing.

Further details about the projects will be uploaded to West Rock's Website.

### **The Agreement**

Under the terms of the agreement West Rock and Cliffs Natural Resources Exploration Inc. ("Cliffs") (together the "Alliance") have the right to acquire up to an 80% interest in the Borrooloola West Project upon satisfaction of the following milestones:

#### **Commercial Terms**

- **First earn-in:** The Alliance to spend \$1.5M within 2 years (including minimum \$500,000 in year 1) to acquire a 51% interest in the Borrooloola West Project with West Rock to act as manager;
- **Second earn-in:** The Alliance may elect to acquire an additional 19% interest in the Borrooloola West Project ("Second Earn-in Amount") by sole funding a further \$2.5 million within a further 2 years; and
- **Third earn-in:** The Alliance may elect to acquire an additional 10% in the Borrooloola West Project ("Third Earn-in Amount") by spending a further \$3 million within a further 2 years or by sole funding a bankable feasibility study.

In the event that the Alliance elects not to earn the Second Earn-in Amount or the Third Earn-in Amount, a joint venture will be formed between the parties on standard terms, including provisions for dilution. In the event that either Sandfire or the Alliance is diluted to a 5% interest in the Borrooloola West Project, their interest will convert to a 1% net smelter return royalty.

The Alliance has successfully completed legal due diligence on the tenements the subject of the Borrooloola West Project.

### **The Alliance**

On 6 July 2012, West Rock entered into a Strategic Alliance Agreement (the "Alliance") with Cliffs, a wholly owned subsidiary of Cliffs Natural Resources Inc.. Under the agreement, Cliffs will fund US\$1.5 million in project generation and exploration activities over a two year initial term and the Alliance can be extended upon mutual agreement.

West Rock has agreed to pursue a commodity driven target generation and exploration program for Cliffs in the Asia Pacific region. The Alliance will see West Rock searching for and generating potential world class copper and manganese projects.

Cliffs Natural Resources Inc. is an international mining and natural resources company listed on the New York Stock Exchange (NYSE). A member of the S&P 500 Index, Cliffs is a major global iron ore producer and a significant producer of high- and low-volatile metallurgical coal. Cliffs operates iron ore and coal mines in North America and an iron ore mining complex in Western Australia. In addition, Cliffs has a major chromite project, in the feasibility stage of development, located in Ontario, Canada.

Cliffs has an option to earn up to 80% interest in projects developed as joint ventures by the Alliance. Exploration will be focused on the Asia-Pacific region, particularly Central and South East Asia and Australia.

### **Borrooloola Accepted as a property of merit**

Borrooloola has been accepted by Cliffs as a property of merit and designated as a joint venture ("JV") project under the Alliance. In accordance with the Alliance, Cliffs has elected to pursue a 70% interest in the Borrooloola JV by funding \$4 million in exploration expenditures by the 4th anniversary of the JV agreement and has committed approximately \$850,000 to sole fund this year's exploration program for Borrooloola West.

### **Alliance Agreement Funding**

In accordance with the Alliance, Cliffs is required to contribute \$750,000 to the Alliance for each of the 2 years of the "Primary Term" (which term commenced on the Effective Date of 4 July 2012 and ends on 4 July 2014), for a total contribution of \$1,500,000. West Rock has agreed the total amount of funds to be contributed by Cliffs during both years of the Primary Term will be reduced from \$1,500,000 to \$1,141,000 ("Revised Amount"), in consideration of the Borrooloola West Project being accepted as a property of merit under the Alliance. To date Cliffs has contributed \$365,864 to the Alliance, the remaining \$775,136 will be contributed to the Alliance during the remainder of the Primary Term.

In addition to the Revised Amount, Cliffs will contribute approximately \$850,000 to the Borrooloola West Project for expenditure in accordance with the terms of the farm-in agreement entered into between Sandfire, West Rock and Cliffs in relation to the Borrooloola West Project.

### **Jaguar Minerals Limited advises that the Competent Person responsible for information released in this Announcement dated 2 July 2013 is Mr Barrie Bolton.**

*The information in the Public Report that relates to Exploration Results is based on information compiled by Mr Barrie Bolton, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bolton is a consultant to West Rock Resources Limited. Mr Bolton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bolton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### **For further information please contact:**

Simon Noon

Managing Director

West Rock Resources Limited

P: +61 8 9463 2463

E: [Info@westrock.net.au](mailto:Info@westrock.net.au)

W: [www.westrock.net.au](http://www.westrock.net.au)