



## **PRESS RELEASE**

### **RAINBOW GOLD AND JAGUAR MINING AMALGAMATE; JAGUAR CLOSES US\$10.2 MILLION PRIVATE PLACEMENT**

October 10, 2003  
Concord, New Hampshire

2003-01

Rainbow Gold Ltd. (RNB.T-TSXV) (“Rainbow”) and Jaguar Mining Inc. (“Jaguar”) are pleased to announce that the shareholders of each company agreed to amalgamate pursuant to an amalgamation agreement dated June 16, 2003, as supplemented by an addendum dated October 8, 2003. The terms of the amalgamation are described in Rainbow’s management information circular dated August 26, 2003. The amalgamation was completed on October 9, 2003. The amalgamated company is called “Jaguar Mining Inc.” and is governed under the *Business Corporations Act* (Ontario).

Prior to the amalgamation, Jaguar completed a private placement of 5,102,500 common shares at a price of US\$2.00 per common share for gross proceeds of US\$10,205,000. The net proceeds from this offering will be used to upgrade mineral resources, engineering and permitting, and for professional fees and working capital. Jaguar has recently commenced mining operations at its wholly owned Sabará gold property, near Belo Horizonte, Minas Gerais, Brazil.

Kingsdale Capital Partners, Inc. and Kingsdale Capital Markets, Inc. (collectively, “Kingsdale”) were engaged as agent in respect of the completed financing referred to above. Kingsdale has received an agent’s fee of US\$612,300, which is 6% of the gross proceeds, plus an agent’s option to acquire up to 357,175 Jaguar common shares at US\$2.00 for a period of two years from the date Jaguar is listed for trading. Kingsdale is also Jaguar’s sponsor in connection with the amalgamation transaction.

The amalgamation agreement provides that the amalgamated company will assume the debt obligations of Rainbow outstanding as at the effective time of the amalgamation, and such debt owing to insiders of Rainbow will be satisfied by issuance of 50,288 common shares of the amalgamated company at US\$1.00 per share and such debt owing to creditors other than insiders of Rainbow will be satisfied by cash payment.

After issuance of the shares described above, the amalgamated company will have 18,827,602 common shares outstanding (23,092,457 fully-diluted). Subject to TSX Venture Exchange approval, the common shares of the amalgamated company are expected to trade under the symbol "JAG". Jaguar's CUSIP number is 47009M 10 3.

In an exempt related party transaction, Jaguar has loaned US\$800,000 to Brazilian Resources, Inc. ("Brazilian") in return for a first option to purchase Brazilian's interest in the Santa Maria gold project. Brazilian used the proceeds of the loan to purchase 500,000 common shares of Jaguar from a third party. The loan bears interest at 5% per annum compounded annually, matures October 1, 2005, and is secured by the 500,000 Jaguar shares. Brazilian holds 4,973,008 common shares of Jaguar representing approximately 26% of the issued and outstanding shares of Jaguar.

Jaguar will activate its website and issue a press release early next week describing its projects and business development plans, prior to initiation of trading.

FOR FURTHER INFORMATION PLEASE CONTACT: Rainbow Gold Ltd., Robert Yeoman, President, (416) 861-9940 or Jaguar Mining Inc., Daniel R. Titcomb, President (603) 224-4800.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Jaguar's securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or resold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.