

## **PRESS RELEASE**

### **RAINBOW GOLD LTD. AND JAGUAR MINING INC.**

#### **ANNOUNCE PROPOSED AMALGAMATION**

June 16, 2003, Toronto, Ontario - Rainbow Gold Ltd. (RNB.T-TSX Venture) ("Rainbow" or the "Company") and Jaguar Mining Inc. ("Jaguar") are pleased to announce that they reached an agreement today to amalgamate (the "Transaction"). The amalgamated company will be called "Jaguar Mining Inc.", or such other name acceptable to the TSX Venture Exchange and approved by Rainbow and Jaguar.

Jaguar is a New Brunswick corporation, the principal shareholders of which are Brazilian Resources, Inc. (as to 47.7%, a New Hampshire resource and infrastructure development company and a TSX Venture Exchange issuer under the symbol YBZ) and IMS Empreendimentos Ltda. (as to 43.8%, a Brazilian mining company controlled by Mr. Juvenil Felix, a resident of Belo Horizonte, Minas Gerais, Brazil). Jaguar was formed on March 1, 2002 for the purpose of developing small and medium sized mineral properties in Brazil that have well defined gold resources and/or reserves with upside exploration potential. At this time Jaguar has mining rights in one property which is referred to as the Sabara gold project located in the state of Minas Gerais, Brazil. Jaguar is currently developing the mine site and refurbishing a 1,000 tonne per day processing plant in preparation for processing of ore. Processing is expected to commence in July 2003.

Currently there are 5,527,388 common shares and 347,990 options of Rainbow outstanding and 10,280,000 common shares of Jaguar outstanding with another 6,570,000 common shares reserved for issuance upon the conversion of previously-issued special warrants and exercise of purchase warrants and options. Pursuant to the terms of the Transaction, the outstanding common shares and options of Rainbow would be consolidated on a 1 for 14 basis and the common shares, warrants and options of Jaguar would be exchanged for common shares, warrants and options of the amalgamated company on a 1 for 1 basis. Upon completion of the Transaction, the amalgamated company will have 12,874,813 common shares outstanding (including 2,200,000 shares to be issued upon the automatic conversion of 2,200,000 Jaguar special warrants on the day before the Transaction), or 17,269,669 common shares outstanding on a fully-diluted basis. The current shareholders of Rainbow would hold approximately 2.4% of the common shares of the amalgamated company (on a fully-diluted basis). Rainbow and Jaguar are arm's length parties.

Jaguar has recently completed an offering of 2,200,000 special warrants at a price of US \$1.00 per special warrant for total gross proceeds of US \$2,200,000. The net proceeds from this offering will be used for the commencement of gold mining operations.

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 also, upon completion of satisfactory due diligence, preliminarily agreed to act as Jaguar's sponsor in connection with the Transaction. In consideration for acting as Jaguar's sponsor, Kingsdale will receive a sponsorship fee to be negotiated between Jaguar and Kingsdale. This

agreement to sponsor should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of completion.

Completion of the Transaction is subject to a number of conditions, including but not limited to, applicable shareholder approvals, the continuance of Jaguar from New Brunswick to Ontario, TSX Venture Exchange acceptance and satisfactory completion of due diligence reviews. The Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. The Rainbow shareholder meeting is expected to be held on or about August 22, 2003.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Rainbow or Brazilian Resources, Inc. should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

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.