



Press Release No. 02-06

**JAGUAR NICKEL ANNOUNCES CLOSING OF SALE OF
GUATEMALAN SUBSIDIARY AND EXECUTION OF ALLIANCE
AGREEMENT WITH MAJOR RESOURCE COMPANY**

January 31, 2006, Toronto, Ontario Jaguar Nickel Inc. (the "Company") (TSX: JNI) announced today that it has closed the sale of all of the outstanding shares of the Company's wholly-owned Guatemalan subsidiary, Jaguar Nickel, S.A., to BHP Billiton for a purchase price of CDN \$19 million in cash (the "Transaction").

Concurrently with the closing of the Transaction, the Company has entered into an exploration alliance (the "Alliance") with BHP Billiton for the exploration and development of nickel, copper, cobalt and platinum group element mineral properties in Canada, Alaska, the mid-continental United States and Greenland, excluding certain properties currently held by BHP Billiton.

The Alliance will be overseen by a five-member steering committee comprised of three representatives of the Company and two representatives of BHP Billiton. The steering committee will be responsible for determining properties of interest and agreed-upon exploration programs. The Company can separately and independently carry out other exploration and development activities in North America and internationally.

The Company and BHP Billiton have also executed two option agreements, pursuant to which the Company has been granted options to acquire up to a 51% interest in four mineral properties.

David Goldman, Chairman of the Board, stated, "As a result of this transaction, Jaguar is a well-funded North American junior exploration company and will benefit from an alliance with the world's largest diversified resource corporation."

"Going forward, the Board of Directors is reviewing its mandate, composition and future direction including appropriate management changes to ensure that the Company's leadership, strategic direction and the execution thereof will achieve the objective of enhancing shareholder value."

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Trading Symbol on the TSX: "JNI"

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