



PRESS RELEASE 16-04

JAGUAR NICKEL INC.

Jaguar Nickel Releases 2nd Quarter Financial Statements

August 5, 2004, Toronto, Canada: Jaguar Nickel Inc. (“Jaguar Nickel”) has released its unaudited interim consolidated financial statements for the six months ended June 30, 2004.

Jaguar Nickel reported a loss for the six months ended June 30, 2004 of \$928,000 (loss per share of \$0.01), compared to \$567,000 (loss per share of \$0.01) for the comparative six months ended June 30, 2003. Exploration expenditures on the Guatemalan nickel-cobalt laterite properties for the six months ended June 30, 2004 and 2003 were \$2,151,000 and \$195,000 respectively. Metallurgical process costs amounted to \$586,000 in 2004 as compared to \$68,000 in the first six months of 2003. Cash flow from financing activities during the six months ended June 30, 2004 was \$28,028,000 compared to \$634,000 in 2003. As at June 30, 2004, Jaguar Nickel had working capital of \$25,335,000. The Company capitalizes the majority of its expenditures to exploration properties and therefore only costs related to its corporate activities are expensed to the loss statement.

In June 2004, the Company further strengthened its Board of Directors and management team when Messrs. Adams, Blouin and Eby were elected as new members of the Board and Mr. Von Fersen was hired as General Manager of the Guatemalan operations.

Drilling on the Sechol property commenced in March 2004 and 215 holes have been completed (comprising over 3,900 metres) with a further 265 holes planned in this phase of the program.

A third campaign is currently underway at the facilities of Process Research ORTECH Inc. in Mississauga, Ontario. The pilot plant work is demonstrating the technical feasibility of the Atmospheric Chloride Leach Process with results ranging from 80-93% nickel recovery from feeds to date. A final campaign is scheduled for the end of the year

using representative ore from the Sechol property to confirm the process flowsheet and enhance the engineering data for the final feasibility study.

“Jaguar Nickel’s ongoing exploration work and technical development of its proprietary process system is proceeding as planned. We will continue to announce progress in these major undertakings in the coming months” said John Yates, President and CEO of Jaguar Nickel.

This news release should be read in conjunction with the Company’s unaudited interim consolidated financial statements and its management discussion and analysis for the six months ended June 30, 2004, which are available on www.sedar.com and the Company’s website www.jaguarnickel.com.

Jaguar Nickel is a well funded, professionally managed resource company that is exploring its Sechol nickel/cobalt property with the intention of bringing it into production. The Company is developing an innovative and proprietary leaching technology that has the potential to be economically and environmentally superior to traditional metallurgical treatments.

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