

IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT  
IN AND FOR SARASOTA COUNTY, FLORIDA

Microcap Management, LLC,

Plaintiff,

v.

Case No.

Jaguar Mining Enterprises, Inc.,

2010 CA 007452 NC

Defendant.

**ORDER GRANTING APPROVAL OF DEBT SETTLEMENT AGREEMENT**

THIS MATTER having come before the court for consideration to approve the Debt Settlement Agreement entered into as of April 23, 2010 and attached hereto ("settlement agreement") between Plaintiff, Microcap Management, LLC and Defendant, Jaguar Mining Enterprises, Inc., collectively ("the parties"), and the court having held a hearing as to the fairness of the terms and conditions of the settlement agreement and being otherwise fully advised in the premises, the court hereby finds as follows:

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K. BRENNAN, CLERK  
CIRCUIT COURT  
SARASOTA COUNTY, FL

1. The court has been advised that the parties intended that the sale of the settlement shares (as defined by the Debt Settlement Agreement, and hereinafter, the settlement shares) to, and the resale of the settlement shares by, Microcap Management, LLC within the United States of America, assuming satisfaction of all other applicable securities laws and regulations, will be exempt from registration under the Securities Act of 1933 (the "Securities Act") in reliance upon Section 3(a)(10) of the Securities Act based upon the court's finding herein that the terms and conditions of the issuance of the settlement shares by Jaguar Mining Enterprises, Inc. to Microcap Management, LLC are fair to Microcap Management, LLC;

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2. The hearing having been scheduled upon the consent of Microcap Management, LLC and Jaguar Mining Enterprises, Inc. Jaguar Mining Enterprises, Inc. has had adequate notice of the hearing and Microcap Management, LLC is the only party to whom settlement shares will be issued pursuant to the Debt Settlement Agreement;

3. The terms and conditions of the issuance of the settlement shares in exchange for the release of certain claims that are set forth in the Debt Settlement Agreement are fair to Microcap Management, LLC, the only party to whom the settlement shares will be issued;

4. The fairness hearing was open to Jaguar Mining Enterprises, Inc. Jaguar Mining Enterprises, Inc. was represented by counsel at the hearing to acknowledge that adequate notice of the hearing was given and consented to the entry of this order.

It is therefore, ORDERED and ADJUDGED that the Debt Settlement Agreement is hereby approved as fair to the party to whom the settlement shares will be issued, within the meaning of Section 3(a)(10), of the Securities Act and that sale of the settlement shares to, and the resale of the settlement shares in the United States of America by, Microcap Management, LLC assuming satisfaction of all other applicable securities laws and regulations, will be exempt from registration under the Securities Act.

So Ordered this 23 day of July, 2010.



CIRCUIT COURT JUDGE

Conformed copies to:  
Charles N. Cleland, Jr., Esquire  
Guy M. Jean-Pierre, Esquire

## DEBT SETTLEMENT AGREEMENT

**THIS DEBT SETTLEMENT AGREEMENT** (hereinafter referred to as the "Agreement"), dated as of April 23, 2010, is entered into by MicroCap Management, LLC, a Colorado limited liability company (the "Vendor"), and Jaguar Mining Enterprises, Inc., a Minnesota corporation (the "Debtor") whose shares are publicly traded on the Pink Sheets under the trading symbol "JAGR".

**WHEREAS**, the Debtor is indebted to the Vendor for the reasons and in the amount set out in Schedule "A" to the Agreement (the "Debt");

**AND WHEREAS**, the Debtor and the Vendor desire to resolve the Debt between the Debtor and Vendor and to fully and finally settle the subject matter of the aforementioned Debt and all claims that could be made in connection therewith.

**NOW THEREFORE WITNESSETH** that in consideration of the mutual promises and Covenants contained herein, the parties agree as follows:

- 1. SETTLEMENT AMOUNT.** As repayment in full of the Indebtedness the Debtor will issue to the Vendor an aggregate of 7,700,000 shares of common stock of the Debtor (the "Shares") at a deemed price of \$770,000. The Shares are to be payable in the form of free-trading, unencumbered, non-affiliated shares of the common stock of the company. The Shares are to be created through a 3(a)(10) filing that both Debtor and Vendor mutually agree upon.
- 2. RELEASE BY THE VENDOR.** Upon issuance of the Shares in the name of the Vendor, the Indebtedness will be deemed to have been repaid in full by the Debtor and the Vendor does hereby fully and forever remise, release and discharge, and by these presents, does for its agents, servants, past, present or future officers, shareholders, directors, employees, attorneys, representatives, parents, subsidiaries, subdivision, affiliated or related entities, affiliates, executors, administrators, predecessors, successors and assigns, remise, release and discharge the Debtor and any of their agents, servants, past, present or future officers, shareholders, directors, employees, attorneys, representatives, parents, subsidiaries, subdivision, affiliated or related entities, affiliates, executors, administrators, predecessors, successors and assigns, from any and all actions, causes of action, suits, debts, dues, sums of money, interest, penalties, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever in law or in equity, under federal or state constitutions, statutes, laws, ordinances or regulations, or under common law, whether known or unknown, foreseen or unforeseen, which the Vendor ever had, has or could have against the Debtor in connection with the subject matter relating to the Indebtedness, but does not release the Debtor from claims arising from a breach of this Agreement.
- 3. RELEASE BY THE DEBTOR.** For and in consideration of the release set forth above and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor does hereby jointly and severally fully and forever remise, release and discharge, and by these presents, do for their respective agents, servants, past, present or future officers, shareholders, directors, employees, attorneys, representatives, parents, subsidiaries, subdivision, affiliated or related entities, affiliates, executors, administrators, predecessors, successors and assigns, remise, release and discharge, the Vendor and any of its agents, servants, past, present or future officers, shareholders, directors, employees, attorneys, representatives, parents, subsidiaries, subdivision, affiliated or related entities, affiliates, executors, administrators, predecessors, successors and assigns, from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever in law or in equity, under federal or state constitutions, statutes, laws, ordinances or regulations, or under common law, whether known or unknown, foreseen or unforeseen, which the Debtor ever had, has or could have against the Vendor in connection with the subject matter relating to the aforementioned dispute, but does not release the Vendor from claims arising from a breach of this Agreement or the subscription agreement to be entered into in respect of the Shares.
- 4. EFFECTIVE TIME OF RELEASES.** The releases described above shall become effective immediately upon the delivery by the Debtor to the Vendor of the Shares registered in the name of the Vendor.

5. **EXISTENCE AND RIGHTS.** The Debtor is a corporation duly organized, validly existing, qualified to conduct business, and in good standing under the laws of the State of Minnesota.

6. **CORPORATE AUTHORIZATION.** The Debtor has taken or will take all corporate action, necessary to execute, deliver and perform this Agreement.

7. **NO CONFLICT.** The execution, delivery and performance of this Agreement and of the related documents by the Debtor will not violate any provision of their respective documents; or violate any law or rule or regulation of any administrative agency or governmental body; or any order, writ, injunction or decree of any court, arbitrator, administrative agency or governmental authority having jurisdiction over either of them; or violate any indenture, mortgage, contract, will, agreement or other undertaking to which either of them is a party or is subject, or result in the creation or imposition of any lien or encumbrance on any of the properties of the Debtor under any of the foregoing.

8. **NOTICES.** Any notice or other communication required or permitted hereunder shall be deemed given if in writing and delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or sent by overnight air courier or facsimile transmission or, if mailed, two days after the date of mailing, as follows:

If to the Debtor:

Jaguar Mining Enterprises, Inc.  
1860 PM 359# 177  
Richmond, Texas 77406  
Attn: Billy D. King, President

If to the Vendor:

MicroCap Management, LLC  
2004 A West 120th Avenue  
Westminster, Colorado 80234  
Attn: William J. Sears, Managing Member

9. **LAW GOVERNING AGREEMENT.** This Agreement is made and entered into and is to be at least partially performed in the State of Colorado. It shall be interpreted, construed and enforced and its construction and performance shall be governed by the laws of the State of Colorado applicable to Agreements made and to be performed entirely within such State without regard to principles of conflicts of laws.

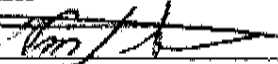
10. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by facsimile, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

**IN WITNESS WHEREOF,** the undersigned have executed this Agreement on the date first set forth hereinabove, as evidenced by their respective signatures below.

**JAGUAR MINING ENTERPRISES, INC.**  
"Debtor"

By:   
Billy D. King  
Chief Executive Officer

**MICROCAP MANAGEMENT, LLC**  
"Vendor"

By:   
William J. Sears  
Managing Member

**SCHEDULE "A"  
ISSUANCE OF SHARES TO SETTLE DEBT**

Amount of Debt	Deemed Price of Shares	Number of Shares to be Issued
\$770,000	\$0.10	7,700,000

**REASONS DEBT INCURRED**

The Debtor incurred the Debt by receiving services from the Vendor.

**TOTAL: \$770,000**



"STATE OF FLORIDA, COUNTY OF SARASOTA  
I hereby certify that the foregoing is a true and correct copy  
of pages 1 through 5 of the instrument filed in  
this office. The original instrument filed contains 5  
pages.

This copy has no redactions.  This copy has been  
redacted pursuant to law.

Witness my hand and official seal this 25 day of  
July, 2010.

3 KAREN E. ROSMINS, CLERK OF THE CIRCUIT COURT  
By: [Signature]  
Deputy Clerk