JAGUAR MINING INC.

NEWS RELEASE

November 7, 2017 **TSX: JAG**
FOR IMMEDIATE RELEASE

Jaguar Mining Reports Third Quarter 2017 Financial Results; Reports Increasing Operating and Free Cash Flow

Toronto, Canada, November 7, 2017 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG) today announced details of the Company's financial and operating results for the third quarter ended September 30, 2017 ("Q3 2017"). Complete Financial Statements and Management's Discussion and Analysis are available on SEDAR and on the Company's website at www.jaguarmining.com. All figures are in US dollars, unless otherwise expressed.

Q3 2017 Financial Highlights

- Focused efforts on delivering the highest profitable ounce production and company-wide expense reduction programs, despite strong Brazilian currency, have resulted in decreasing cash operating costs ("COC") to $809 per ounce sold, a 6% reduction compared to $857 in Q2 2017 and a 12% reduction compared to $924 in Q1 2017.
- All in sustaining costs ("AISC") decreased 7% to $1,169 per ounce sold compared to $1,262 per in Q2 2017, up compared to $1,011 during Q3 2016, reflecting increased exploration drilling programs in 2017.
- Significantly increased operating cash flow quarter over quarter, to $7.5 million compared with $0.2 million in Q2 2017, but was lower compared with $9.4 million in Q3 2016 mainly due to lower production.
- Sustaining capital expenditures of $4.6 million and total capital expenditures of $5.8 for Q3 2017, compared with $6.4 and $7.5 million respectively in Q3 2016. Total capital expenditures of $18.6 million year-to-date to the end of Q3 2017.
- Free cash flow turns positive for first time in 2017 with $2.2 million in Q3 2017, based on operating cash flow less sustaining capital expenditures, compared to $2.9 million in Q3 2016.
- Net loss of ($7.7 million), or ($0.02) per share reflecting the impact of non-cash adjustments, primarily the impairment write-down on the sale of Jaguar's non-core asset, Gurupi Project, and changes in some legal and tax provisions; this compares to net loss of ($31.6 million), or ($0.22) per share for Q3 2016.
- Ended the quarter with a strong cash balance of $19.2 million and stable adjusted working capital. Initial $2 million instalment received from Avanco for the Gurupi Project's Accelerated Earn-in Agreement was used to make an additional $2 million payment towards reducing higher cost Brazilian bank debt.

Rodney Lamond, President and CEO of Jaguar, commented: "We continued to see improving performance throughout Q3 2017 with a focus on generating the highest level of operating cash flow in 2017, through profitable ounce production. Increased operating cash flow of $7.5 million in the third quarter allowed the company to continue to invest in sustaining capital, as committed, priority growth exploration programs and pay down debt. Cost reduction initiatives combined with strong production results from Pilar contributed to significantly improved consolidated cash costs of $809 per ounce sold compared to the first half of 2017 of $895. In particular, Pilar and Roca Grande reduced cash costs 22% and 17%, respectively, in Q3 2017 compared to Q2 2017."

"As of the end of Q3 2017, we have invested total capital of approximately $19 million year to-date 2017, with $15.2 million invested in sustaining expenditures and exploration drilling that has yielded significantly positive results. Recent drill results at Pilar are extremely encouraging and we are becoming increasingly confident in the resource upside at Pilar which we expect to report with a mineral resource update in early 2018."

"We ended the quarter with a solid cash balance of $19.2 million and repaid $5.2 million on our credit facilities which included an additional $2 million of proceeds from an initial instalment of the Accelerated Earn-in Agreement signed for the Gurupi Project. Moving forward, our first priority will be to deliver profitable ounce production and generate higher operating cash flow that can be redeployed towards higher priority near-mine sustaining and growth exploration projects, and paying down debt."

Corporate and Strategic Updates

- The Company continues to advance several initiatives towards executing its growth strategy to become an annual 200,000 ounce gold producer, while also continuing to restore and grow the production profile at Turmalina from its historic levels during 2016.

- Key growth exploration drilling programs completed to date at Pilar and Turmalina have generated excellent results are expected to support the sustainability of the core assets for future production. Pilar's recent strong performance and increased gold production demonstrates that the investments made over the last 12 months, to access the new higher-grade mining fronts from the BF II orebody, were necessary to drive increased production and also a key component of the Company's growth Strategy. The ounce per vertical meter profile at Pilar is very encouraging and has reached over 2,000 ounces per vertical meter.

- The Company is currently exploring options and solutions to an operating agreement as a first step effort to resume operations at the Paciência gold mine. Paciência mine produced 66,671 oz and 59,287 oz in 2009 and 2010 respectively before being placed on care and maintenance in Q3 2012. Once an acceptable solution is found for the operating agreement, the company will begin a growth exploration drilling program to explore the down plunge extension of the main deposits near the mine.

- The Company is also conducting reviews at the Roca Grande Gold Mine in an effort to solve the complex issues due to a perched water table at the RG2 orebody. This orebody has delineated over 500,000 ounces in Mineral Resources but was abandoned in 2010 due to the water issues. The sizable mineral resource was the reason the Caeté Plant was built and expanded in 2010.

- The company continues to advance the two key growth exploration programs at Pilar and Turmalina. Deep drilling at Pilar has successfully confirmed (announced on September 20, 2017) the down plunge extension of the main BFII and BF ore bodies. There are three growth exploration diamond drills working at Turmalina drilling the down plunge extensions to Orebody A and Orebody C and the company anticipates releasing drilling results within the Q4 2017.

Appointment of New Board Director

The Company also announces the appointment of Ben Guenther to its Board of Directors as independent non-executive director. Mr. Guenther is a Mining Engineer with a wide range of management and executive experience and over 40 years in the global mining industry. Mr. Guenther graduated from the Colorado School of Mines. Mr. Guenther's appointment as an independent Board member reflects the Company's commitment to best practices in corporate governance.

Financial and Operating Highlights

($ thousands, except where indicated)	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	**2017**	2016
Financial Data				
Revenue	**$ 26,062**	$ 33,618	**$ 78,606**	$ 90,278
Operating costs	**16,116**	16,191	**53,614**	51,657
Depreciation	**5,898**	9,509	**17,271**	25,599
Gross profit	**4,048**	7,918	**7,721**	13,022
Gross profit (excluding depreciation)[1]	**9,946**	17,427	**24,992**	38,621
Loss on change in fair value of notes payable	**-**	31,672	**-**	77,616
Net loss	**(7,664)**	(31,648)	**(18,861)**	(73,515)
Per share ("EPS")	**(0.02)**	(0.22)	**(0.06)**	(0.60)
EBITDA[1]	**(507)**	(17,802)	**3,949**	(41,710)
Adjusted EBITDA[1,2]	**6,094**	14,394	**14,020**	30,299
Adjusted EBITDA per share[1]	**0.02**	0.10	**0.04**	0.25
Cash operating costs (per ounce sold)[1]	**809**	645	**867**	713
All-in sustaining costs (per ounce sold)[1]	**1,168**	1,011	**1,249**	1,092
Average realized gold price (per ounce)[1]	**1,276**	1,328	**1,250**	1,251
Cash generated from operating activities	**7,509**	9,353	**9,583**	29,314
Adjusted operating cash flow[1]	**6,029**	11,275	**14,955**	23,289
Free cash flow[1]	**2,212**	2,972	**(7,118)**	9,055
Free cash flow (per ounce sold)[1]	**108**	117	**(113)**	125
Sustaining capital expenditures[1]	**4,624**	6,370	**15,233**	19,246
Non-sustaining capital expenditures[1]	**1,138**	1,152	**3,401**	2,781
Total capital expenditures	**5,763**	7,522	**18,634**	22,027

[1] Average realized gold price, sustaining and non-sustaining capital expenditures, cash operating costs and all-in sustaining costs, adjusted operating cash flow, free cash flow, EBITDA and adjusted EBITDA, adjusted EBITDA per share, and gross profit (excluding depreciation) are non-IFRS financial performance measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

[2] Adjusted EBITDA excludes non-cash items such as impairment and write downs. For more details refer to the Non-IFRS Performance Measures section of the MD&A.

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	**2017**	2016
Operating Data				
Gold produced (ounces)	**20,781**	25,782	**62,842**	71,201
Gold sold (ounces)	**20,422**	25,316	**62,909**	72,167
Primary development (metres)	**932**	1,353	**2,666**	4,371
Secondary development (metres)	**922**	1,182	**3,292**	3,545
Definition, infill, and exploration drilling (metres)	**11,592**	6,749	**34,525**	28,126

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Liquidity Position and Working Capital

- As at September 30, 2017, the Company had a cash balance of $19.2M, compared to a cash balance of $20.7 million at June 30, 2017.

- During the third quarter, the Company received $2M from Avanco for the first instalment of the Accelerated Earn-in Agreement signed for the Gurupi Project on September 18, 2017. In addition to the regular repayments of financing obligations of $3.2M during the quarter, the Company used the initial proceeds from the Gurupi Avanco transaction to make an additional debt repayment of $2M for part of the high cost Brazilian debt, thus reducing the future debt servicing.

- Subsequent to the quarter end, the Company closed the sale of the Gurupi transaction with Avanco Resources. On closing the transaction, the Company received an additional $2 million and recorded an impairment (non-cash) write down of $5.1 million on the asset, leading to a net loss for the quarter.

- Significantly improved working capital quarter over quarter. As September 30, 2017, working capital was $28.2 million compared to $11.3 million as at December 31, 2016 mainly due to a temporary reclassification of Gurupi asset as Asset Held for Sale as part of current assets. Working capital includes $6.0 million of short term payable loan to Brazilian banks which mature every six months and are expected to continue to be rolled forward. Adjusted Working Capital (excluding the temporary reclassification of Gurupi asset as held for sale) was $6 million. With the closing of the Gurupi earn-in transaction that occurred in Q4 2017, an additional $5-6 million is expected to be added to the Adjusted Working Capital.

Quarterly Operating Summary

Operating Summary	Q3 2017				Q3 2016				Q2 2017			
	Turmalina	Pilar	Roça Grande	Total	Turmalina	Pilar	Roça Grande	Total	Turmalina	Pilar	Roça Grande	Total
Tonnes milled (t)	107,000	88,000	18,000	**213,000**	128,000	78,000	25,000	**231,000**	112,000	85,000	19,000	**216,000**
Average head grade (g/t)	3.10	3.77	2.89	**3.36**	4.36	3.51	2.12	**3.83**	3.37	3.16	2.15	**3.18**
Recovery %	91%	90%	90%	**90%**	92%	91%	91%	**91%**	91%	90%	90%	**91%**
Financials												
COC ($/oz)	749	804	1,195	**809**	528	726	1,249	**645**	695	1,033	1,439	**857**
AISC ($/oz)				**1,168**				**1,011**				**1,262**
Realized Gold Price ($/oz)				**1,276**				**1,328**				**1,266**
Gold ounces												
Produced (oz)	9,616	9,674	1,491	**20,781**	16,304	7,923	1,556	**25,783**	10,870	7,702	1,197	**19,769**
Sold (oz)	9,082	9,820	1,520	**20,422**	15,945	7,821	1,551	**25,317**	10,815	6,625	1,013	**18,453**
Development												
Primary (m)	443	471	18	**932**	605	741	7	**1,353**	504	218	102	**824**
Exploration (m)	11	-	-	**11**	-	22	-	**22**	56	-	-	**56**
Secondary (m)	337	518	67	**922**	623	284	275	**1,182**	292	577	120	**989**
Diamond drilling (m)	8,355	3,237	-	**11,592**	2,793	2,811	1,145	**6,749**	4,676	6,206	186	**11,068**

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Q3 2017 Operational Update

- Consolidated gold production decreased 19% to 20,781 ounces in Q3 2017 compared to 25,783 ounces in Q3 2016. Consolidated gold production for YTD 2017 was 62,842 ounces compared to 71,202 ounces in the first nine months of 2016.
    - Pilar production of 9,674 ounces in Q3 2017 compared to 7,923 ounces produced in Q3 2016; production improvements in the later part of the quarter started to reflect the advancing ore development into the higher-grade Orebodies BF II and BF.
    - Turmalina produced 9,674 ounces in Q3 2017 compared to 16,304 ounces in Q3 2016; however, with the mining issues encountered at level 9 during Q1 and Q2 2017, the Company is completing the review of the upper levels of the mine in Orebody A to identify areas of high-grade blocks that can be recovered. Several areas have already been identified and two mining blocks within these areas are expected to be recovered by year-end.
- The Company completed 932 metres and 2,666 metres of primary development during the three and nine months ended September 30, 2017, respectively, compared to 1,353 metres and 4,371 metres in the comparative 2016 periods.
- Ore processed was 212,000 tonnes in Q3 2017 (Q3 2016 – 231,000 tonnes) at an average head grade of 3.36 g/t (Q3 2016 – 3.83 g/t).
    - In Q3 2017, Turmalina processed 107,000 tonnes (Q3 2016 – 128,000 tonnes) at an average head grade of 3.10 g/t (Q3 2016 – 4.36 g/t). Increasing gold production from Orebody C, while the mining cycle is normalized in Orebody A and until access to lower Orebody C containing higher grades can be established, is expected to continue to impact consolidated grade in the short term.
    - Caeté plant processed 105,000 tonnes in Q3 2017 (Q3 2016 – 103,000 tonnes) at an average head grade of 3.62 g/t (Q3 2016 – 3.17 g/t).
    - New record grade at Pilar Gold Mine ("Pilar") of 3.77 g/t Au for the quarter as mining activity increased into the higher-grade BFII ore body, resulting in 9,674 ounces of gold produced in Q3 2017, an increase of 26% quarter over quarter. September gold grade for Pilar was 4.48 g/t Au. The higher average head grade and lower tonnage reduced consolidated Cash Operating Costs ("COC") per ounce sold in Q3 2017.
    - Increasing grade at Roça Grande Mine ("Roça Grande") of 2.88 g/t Au contributed to gold production of 1,491 ounces, which was 25% higher compared to Q2 2017. Improved performance and operational efficiencies, including optimization of working shifts, resulted in positive operational cash flows for Roça Grande.
- Total production for YTD 2017 was 643,000 tonnes (average head grade of 3.35 g/t), as compared to 644,000 tonnes processed in the first nine months of 2016 (average head grade of 3.79 g/t).

Qualified Person

Scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), Senior Expert Advisor Geology and Exploration to the Jaguar Mining Management Committee, who is also an employee of Jaguar Mining Inc., and is a "qualified person" as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

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The Iron Quadrangle

The Iron Quadrangle has been an area of mineral exploration dating back to the 16th century. The discovery in 1699-1701 of black gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town OuroPreto (Black Gold). The Iron Quadrangle contains world-class multi-million-ounce gold deposits such as Morro Velho, Cuiabá and São Bento. Jaguar holds the second largest gold land position in the Iron Quadrangle with just over 25,000 hectares.

About Jaguar Mining Inc.

Jaguar Mining Inc. is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with three gold mining complexes and a large land package with significant upside exploration potential from mineral claims covering an area of approximately 64,000 hectares. The Company's principal operating assets are located in the Iron Quadrangle, a prolific greenstone belt in the state of Minas Gerais and include the Turmalina Gold Mine Complex and Caeté Mining Complex (Pilar and Roça Grande Mines, and Caeté Plant). The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. Additional information is available on the Company's website at www.jaguarmining.com.

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Forward-Looking Statements

Certain statements in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements and information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking information made in this news release is qualified by the cautionary statements below and those made in our other filings with the securities regulators in Canada.Forward-looking information contained in forward-looking statements can be identified by the use of words such as "are expected," "is forecast," "is targeted," "approximately," "plans," "anticipates," "projects," "anticipates," "continue," "estimate," "believe" or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, may be considered to be or include forward looking information. This news release contains forward-looking information regarding, among other things, expected sales, production statistics, ore grades, tonnes milled, recovery rates, cash operating costs, definition/delineation drilling, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations, continuous improvement initiatives, and resolution of pending litigation. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the estimated timeline for the development of its mineral properties; the supply and demand for, and the level and volatility of the price of, gold; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; the receipt of necessary permits; market competition; ongoing relations with employees and impacted communities; political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any potential power rationing, tailings facility regulation, exploration and mine operating licenses and permits being obtained an renewed and/or there being adverse amendments to mining or other laws in Brazil and any changes to general business and economic conditions. Forward-looking information involve a number of known and unknown risks and uncertainties, including among others: the risk of Jaguar not meeting the forecast plans regarding its operations and financial performance; uncertainties with respect to the price of gold, labour disruptions, mechanical failures, increase in costs, environmental compliance and change in environmental legislation and regulation, weather delays and increased costs or production delays due to natural disasters, power disruptions, procurement and delivery of parts and supplies to the operations; uncertainties inherent to capital markets in general (including the sometimes volatile valuation of securities and an uncertain ability to raise new capital) and other risks inherent to the gold exploration, development and production industry, which, if incorrect, may cause actual results to differ materially from those anticipated by the Company and described herein. In addition, there are risks and hazards associated with the business of gold exploration, development, mining and production, including environmental hazards, tailings dam failures, industrial accidents and workplace safety problems, unusual or unexpected geological formations, pressures, cave-ins, flooding, chemical spills, procurement fraud and gold bullion thefts and losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Accordingly, readers should not place undue reliance on forward-looking information.

For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this news release, see the Company's most recent Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents that can be accessed under the issuer profile of "Jaguar Mining Inc." on SEDAR at www.sedar.com. The forward-looking information set forth herein reflects the Company's reasonable expectations as at the date of this news release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

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Non-IFRS Measures

This news release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Readers are cautioned to review the above stated footnotes where the Company expanded on its use of non-IFRS measures.

1. *Cash operating costs and cash operating cost per ounce are non-IFRS measures. In the gold mining industry, cash operating costs and cash operating costs per ounce are common performance measures but do not have any standardized meaning. Cash operating costs are derived from amounts included in the Consolidated Statements of Comprehensive Income (Loss) and include mine-site operating costs such as mining, processing and administration, as well as royalty expenses, but exclude depreciation, depletion, share-based payment expenses, and reclamation costs. Cash operating costs per ounce are based on ounces produced and are calculated by dividing cash operating costs by commercial gold ounces produced; US$ cash operating costs per ounce produced are derived from the cash operating costs per ounce produced translated using the average Brazilian Central Bank R$/US$ exchange rate. The Company discloses cash operating costs and cash operating costs per ounce, as it believes those measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with IFRS is total production costs. A reconciliation of cash operating costs per ounce to total production costs for the most recent reporting period, the quarter ended September 30, 2017, is set out in the Company's third quarter 2017 Management Discussion and Analysis (MD&A) filed on SEDAR at www.sedar.com.*

2. *All-in sustaining cost is a non-IFRS measure. This measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, except for non-cash items the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of production costs, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, and in-mine exploration expenses. All-in sustaining cost excludes growth capital, reclamation cost accretion related to current operations, interest and other financing costs, and taxes. A reconciliation of all-in sustaining cost to total production costs for the most recent reporting period, the quarter ended September 30, 2017 is set out in the Company's third quarter 2017 MD&A filed on SEDAR at www.sedar.com.*

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