JAGUAR MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED
MARCH 31, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FIRST QUARTER ENDED MARCH 31, 2018

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2018, and the annual audited consolidated financial statements and MD&A for the year ended December 31, 2017 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). For further information on Jaguar Mining Inc., reference should be made to its public filings (including its most recently filed annual information form ("AIF") which is available on SEDAR at www.sedar.com). Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources and reserves, are contained in the Company's most recently filed AIF and technical reports.

All amounts included in this MD&A are in United States dollars ("$"), unless otherwise specified. References to C$ are to Canadian dollars and R$ are to Brazilian Reais. This report is dated as at May 9, 2018.

Where we say "we," "us," "our," the "Company" or "Jaguar," we mean Jaguar Mining Inc. or Jaguar Mining Inc. and/or one or more or all of its subsidiaries, as it may apply. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	**Period**	**Abbreviation**	**Period**
YTD 2018	January 1, 2018 – March 31, 2018	**YTD 2017**	January 1, 2017 – March 31, 2017
Q1 2018	January 1, 2018 – March 31, 2018	**Q1 2017**	January 1, 2017 – March 31, 2017

OUR BUSINESS

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. The Company's principal operating assets are located in the state of Minas Gerais and include the Turmalina Gold Mine Complex ("MTL") ("Turmalina Gold mine and plant") and Caeté Gold Mine Complex ("MSOL") ("Pilar Gold mine" and "Caete plant"). The Company also owns the Paciência Gold Mine Complex ("Paciência"), which has been on care and maintenance since 2012.

Led by a proven and experienced senior management team in Brazil, our operating philosophy focuses on creating excellent shareholder value through the execution of a safe and sustainable operating plan, prudent cost management practices, generating free cash flow, and increasing Mineral Reserves and Resources through exploration growth projects.

We benefit from the exploration and development of the Company's existing brownfield land package and from mineral concessions comprising approximately 26,000 hectares, with close proximity to current operations, in the Iron Quadrangle mining district of Brazil, a prolific greenstone belt located near the city of Belo Horizonte in the State of Minas Gerais. In addition, approximately 35,000 hectares in the State of Ceará, where the Company's Pedra Branca Project is located, provide future upside potential.

Q1 2018 FINANCIAL & OPERATING SUMMARY

($ thousands, except where indicated)	For the three months ended March 31, 2018	2017
Financial Data		
Revenue	**$ 25,228**	$ 29,192
Operating costs	**15,399**	21,508
Depreciation	**4,885**	6,576
Gross profit	**4,944**	1,108
Net loss	**(1,781)**	(7,877)
Per share ("EPS")	**(0.01)**	(0.03)
EBITDA[1]	**4,154**	743
Adjusted EBITDA[1,2]	**5,573**	4,211
Adjusted EBITDA per share[1]	**0.02**	0.01
Cash operating costs (per ounce sold)[1]	**800**	924
All-in sustaining costs (per ounce sold)[1]	**1,289**	1,323
Average realized gold price (per ounce)[1]	**1,311**	1,215
Cash generated from operating activities	**4,979**	1,855
Free cash flow[1]	**(1,688)**	(4,177)
Free cash flow (per ounce sold)[1]	**(88)**	(174)
Sustaining capital expenditures[1]	**6,667**	6,032
Non-sustaining capital expenditures[1]	**493**	873
Total capital expenditures	**7,160**	6,905

[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 March 31, 2018	2017
Operating Data		
Gold produced (ounces)	**18,865**	22,292
Gold sold (ounces)	**19,237**	24,034
Primary development (metres)	**1,069**	910
Secondary development (metres)	**447**	1,382
Definition, infill, and exploration drilling (metres)	**9,439**	11,864

Financial and Operational Summary

Revenue, Net Income (Loss), and Adjusted EBITDA

- Gold ounces sold for the three months ended March 31, 2018, was 19,237 ounces, compared with 24,034 ounces sold for the comparative 2017 period, due to the lower production.
- Revenue for Q1 2018 decreased 14% to $25.2 million, compared with $29.2 million in Q1 2017, due to a 20% decrease in ounces sold, offset by 8% higher average gold realized price of $1,311 in Q1 2018 compared with $1,215 in Q1 2017.
- Net loss for the three months ended March 31, 2018, was $1.8 million compared to a net loss of $7.9 million for the three months ended March 31, 2017.
- Adjusted EBITDA for Q1 2018 was $5.6 million compared to $4.2 million for Q1 2017.

Foreign Exchange

- The average exchange rate during Q1 2018 was R$ 3.24 Brazilian Reais per US dollar compared to R$ 3.15 per US dollar in Q1 2017. The closing exchange rate as at March 31, 2018, was R$ 3.32 per US dollar compared to R$ 3.17 per US dollar as at December 31, 2017.

Cash Operating Costs, Capital Expenditures, and All-In-Sustaining Costs ("AISC")

- Cash operating costs decreased 13% to $800 per ounce of gold sold for Q1 2018, compared to $924 per ounce sold during Q1 2017, primarily due to cost-cutting measures.
- AISC decreased 3% to $1,289 per ounce of gold sold in Q1 2018, compared to $1,323 per ounce sold during Q1 2017.
- In Q1 2018, sustaining capital increased 11% to $6.7 million focused on primary development and exploration drilling, compared to $6 million in Q1 2017.
- Operating cash flow was $5.0 million for Q1 2018, compared to $1.9 million in Q1 2017, mainly due to the decrease on cash costs in 13%, or $ 124 dollars per ounce, in the respective period.
- Free cash flow was negative $1.7 million for Q1 2018 based on operating cash flow less total capital expenditures, compared to $4.2 million in Q1 2017. Free cash flow was negative $88 per ounce sold in Q1 2017 compared to $174 per ounce sold in Q1 2017.

Cash Position and Working Capital

- As at March 31, 2018, the Company had a cash position of $14.3 million, compared to $18.6 million as at December 31, 2017, primarily due to the decrease of 20%, or 4,797 ounces of gold sales, while investing in primary development, and approximately $2.7 million in repayment of debt.
- Working capital was $11.0 million as at March 31, 2018 compared to $14.1 million as at December 31, 2017, which includes a short term receivable of $4.5 million from the Accelerated Earn-in Agreement signed for the Gurupi Project on September 17, 2017. Working capital also includes $4.4 million in loans from Brazilian banks, which are renewed every six months and are expected to be rolled forward.

Tonnes Processed and Average Grade, Gold Production

- Total processing was 174,000 tonnes in Q1 2018 (Q1 2017 – 214,000 tonnes) at an average head grade of 3.76 g/t (Q1 2017 – 3.50 g/t).
  - In Q1 2018, Turmalina Gold Mine ("Turmalina") processed 81,000 tonnes (Q1 2017 – 113,000 tonnes) at an average head grade of 3.57 g/t (Q1 2017 – 3.79 g/t).
  - Pilar Gold Mine ("Pilar") processed 81,000 tonnes in Q1 2018 (Q1 2017 – 84,000 tonnes) at an average head grade of 4.13 g/t (Q1 2017 – 3.39 g/t).
  - Roça Grande Mine ("RG") processed 12,000 tonnes in Q1 2018 (Q1 2017 – 17,000 tonnes) at an average head grade of 2.54 g/t (Q1 2017 – 2.12 g/t).
- Consolidated gold production was 18,865 ounces in Q1 2018 compared to 22,292 ounces in Q1 2017, mainly due to ground control issues at Turmalina during the first half of 2017. Gold recovery of 89.9% in Q1 2018 compared to 91% in Q1 2017.
- Pilar production increased 13% to 9,553 ounces in Q1 2018 compared to 8,485 ounces in Q1 2017. Turmalina produced 8,442 ounces in Q1 2018 compared to 12,736 ounces in Q1 2017.

Major Growth Exploration Initiative;

- The Company completed 9,439 metres of definition, infill and exploration drilling during the three months ended March 31, 2018, (Q1 2017 – 11,864 metres) focused on current orebody extensions at depth at both Turmalina and Pilar.
- Growth Exploration remains focused on depth extension drilling of Orebody C below level 4 at Turmalina. To date some 4,826 metres has been completed in 20 holes, which reflects 53% completion of the 9,050 metres planned program.
- Generative exploration activities continue to advance the Zona Basal Target at Turmalina, the Torre, Pacheca North and Pilarzinho Targets contiguous to the Pilar Mining Operation and at Pedra Branca in Ceará State.
- Subsequent to the temporary halt of mining activities at Roça Grande, exploration potential is being reviewed aimed at prioritizing future activities targeting extensions to the known Roça Grande orebodies and Jaguar´s highly prospective greater tenement package supported by the MSOL Plant.

2018 Guidance

- Pilar production guidance of 39,200–47,000 ounces reflects the Company's reforecast for increased mineral resources reported in March 2018. The Pilar production is expected to offset the temporary halted production ounces from Roça Grande.
- Roça Grande performance reflects production from January 1–March 21, 2018. Roça Grande is temporarily on care and maintenance.
- Turmalina is positioned and expected to deliver significantly higher production in second half of 2018.

2018 Production & Guidance cost	Turmalina		MSOL				Consolidated	
			Pilar		Roça Grande			
	Low	High	Low	High	Low	High	Low	High
Gold production (oz.)	50,000	57,000	39,200	47,000	800	1,000	90,000	105,000
Cash Operating Cost[1] ($/oz. sold)	675	775	650	800	1,000	1,100	660	800
All-in sustaining Cost[1] ($/oz. sold)	900	1,000	900	1,050	1,050	1,200	920	1,100
Sustaining Capex ($'000)	12,000	15,000	9,000	12,000	100	500	21,000	28,000
Development								
Primary waste (metres)	2,200	2,800	2,000	2,600	N/A	N/A	4,500	5,400
Secondary ore (metres)	1,800	2,100	1,000	1,150	N/A	N/A	3,000	3,500
Definition, infill and exploration drilling (metres)	18,000	25,000	14,000	20,000	200	300	32,000	45,000

1. Cash Operating Cost and All-in Sustaining Cost are non-IFRS reporting measures.

REVIEW OF OPERATING AND FINANCIAL RESULTS

Turmalina Gold Mine Complex

Turmalina Quarterly Production

($ thousands, except where indicated)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Tonnes of ore processed ('000)	**81,000**	95,000	107,000	112,000	113,000	122,000	128,000	124,000
Average head grade (g/t)[1]	**3.57**	4.41	3.10	3.37	3.79	4.39	4.36	4.10
Average recovery rate (%)	**90.6%**	91%	91%	91%	91.1%	93%	92%	91%
Gold (oz.)								
Produced	**8,442**	12,245	9,616	10,870	12,736	16,101	16,304	15,083
Sold	**8,414**	12,142	9,082	10,815	13,536	16,024	15,945	15,035
Cash operating cost (per oz. sold)[2]	**$ 749**	$ 646	$ 749	$ 695	$ 738	$ 562	$ 528	$ 586
All-in sustaining cost (per oz. sold)[2]	**$ 1,238**	$ 784	$ 993	$ 956	$ 903	$ 784	$ 730	$ 860
Cash operating cost (R$ per tonne)[2]	**$ 252**	$ 268	$ 201	$ 216	$ 278	$ 243	$ 214	$ 249

[1] The 'average head grade' represents the recalculated head-grade milled.

[2] Cash operating costs, average realized cost and All-in sustaining costs are a non-IFRS financial performance measure with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

During the first quarter of 2018, Turmalina produced 8,442 ounces of gold compared to 12,736 ounces in the corresponding 2017 period, a decrease of 34% or 4,294 ounces. The decrease in ounces produced was a result of a 28% decrease in the tonnes processed from 113,000 in Q1 2017 to 81,000 in Q1 2018. During Q1 2018, the Company continued to increase the number of working areas in an effort to stabilize the mining cycles in order to have consistent gold production. This included increasing gold production from Orebody C while the mining cycle was normalized in Orebody A and until access to lower Orebody C containing higher grades could be established. The cash operating cost per ounce sold for the first quarter of 2018 increased by 1%, or $11 per ounce, as compared to the same period in 2017. During the first quarter of 2018, approximately 37,000 tonnes were mined from Orebody A at an average grade of 4.44 g/t, and 44,000 tonnes from Orebody C at an average grade of 2.46 g/t.

Turmalina Capital Expenditures

($ thousands)	Three months ended March 31, 2018	2017
Sustaining capital[1]		
Primary development	**$ 3,512**	$ 1,178
Brownfield exploration	**132**	258
Mine-site sustaining	**474**	791
Total sustaining capital[1]	**4,118**	2,227
Total non-sustaining capital[1]	**392**	602
Total capital expenditures	**$ 4,510**	$ 2,829

[1] Sustaining and non-sustaining capital are non-IFRS financial measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A. Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended March 31,	
	2018	2017
Primary development	**648**	366
Secondary development	**91**	754
Total development	**739**	1,120
Definition drilling	**334**	452
Infill drilling	**2,262**	5,230
Exploration drilling	**2,949**	398
Total definition, infill, and exploration drilling	**5,545**	6,080

Mining

Turmalina is an underground mine utilizing the sub-level stoping mining method with rockfill and historically paste fill, as well as some areas of the mine previously using mechanized cut and fill mining method. Ore produced at Turmalina is transported to the adjacent Carbon-In-Leach ("CIL") processing plant. In December 2017, Jaguar remobilized the development contractor Toniolo Busnello ("TBSA") to site to start high-speed development in the mine to recover the minimum of one full level ahead of the active mine. Jaguar will continue to develop into Levels 4 and 5 of Orebody C, which have shown grades equivalent to Orebody A. During the first quarter of 2018, the company developed 648 metres, as primary development, of which 322 metres were executed by TBSA and 326 metres by our internal team.

During Q1 2018, Turmalina continued to manage overall cash costs even though the mine continues to have production problems due to recovering from the stability issues previously incurred on Level 9. Plans to manage cash costs have resulted in similar cash costs to those prior to the reduction in production experienced during 2017. The management of cash costs will continue through 2018. The first quarter results consisted of 81,000 tonnes mined at an average head grade of 3.38 g/t Au and produced 8,442 ounces. During the first quarter, the Company focused on increasing development in the mine using an external contractor, while continuing development with the Jaguar team at Turmalina.

Processing

Ore produced at Turmalina is transported to the adjacent CIL processing plant. The Turmalina plant consists of three ball mills, of which primary grinding is done at Mill #3, which was rebuilt and commissioned at the end of 2016, with an estimated installed capacity of 1,600 tonnes per day. Using only Mill #3, Turmalina was able to achieve the entire throughput of the plant with a lower operating cost, through electricity consumption savings, compared to using both Mills #1 and #2 in 2016. Mills #1 and #2 have been taken off-line for maintenance and are kept on standby mode with Mill #1 occasionally supplementing the capacity of Mill #3. During Q1 2018, the plant processed 81,000 tonnes at an average head grade of 3.57 g/t compared to 113,000 tonnes at 3.79 g/t in Q1 2017. Overall, the processing plant maintained a recovery rate of 90.6% during Q1 2018, a slight decrease from the 91.1% recovery rate for Q1 2017.

During Q1 2018, the two issues identified during the commissioning of the Paste Fill Plant in Q1 2018 were addressed. Both issues were addressed during the first quarter and resolved. The larger of the two issues required sending the feed mixing bin back to the manufacturer for redesign and reconstruction due to the sticking of filtered tailings in the feed bin. The reconstructed feed bin was reinstalled into the system on April 10th 2018 and the system has completed wet commissioning. Turmalina will test backfill mixes and recommence using paste fill as a backfill method in Q2 2018.

Turmalina Free Cash Flow[1]

($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Turmalina Complex		
Revenue	**$ 11,034**	$ 16,441
Less cash operating costs	**6,302**	9,996
Less sustaining capital expenditures	**4,118**	2,227
Free Cash Flow	**$ 614**	$ 4,218

[1] This is a non-GAAP financial performance measures with no standard definition under IFRS.

Caeté Gold Mine Complex

Caeté Quarterly Production

($ thousands, except where indicated)	**Q1 2018**	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Tonnes of ore processed (t)	**93,000**	95,000	106,000	104,000	101,000	115,000	103,000	93,000
Average head grade (g/t)[1]	**3.93**	3.33	3.62	2.97	3.17	2.79	3.17	3.30
Average recovery rate (%)	**89.2%**	89%	90%	90%	90.8%	91%	91%	91%
Gold (oz.)								
Produced	**10,423**	9,067	11,164	8,899	9,556	9,307	9,479	9,139
Sold	**10,823**	8,699	11,339	7,638	10,498	9,085	9,372	8,935
Cash operating cost (per oz. sold)[2]	**$ 841**	$ 883	$ 856	$ 1,087	$ 1,165	$ 1,041	$ 842	$ 1,049
All-in sustaining cost (per oz. sold)[2]	**$ 1,076**	$ 1,252	$ 1,068	$ 1,315	$ 1,526	$ 1,329	$ 1,180	$ 1,468
Cash operating cost (R$ per tonne)[2]	**$ 317**	$ 256	$ 290	$ 257	$ 381	$ 267	$ 249	$ 354

[1] The 'average head grade' represents the recalculated head-grade milled.

[2] Cash operating costs, average realized cost and All-in sustaining costs are a non-IFRS financial performance measure with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

The Caeté Mining Complex is composed of two underground mines (Pillar Mine and Roça Grande Mine) that utilize a combination of mechanized cut and fill and sub-level stope mining methods. Ore produced from these mines is transported to the 2,200 tonnes per day gravity, flotation and CIL treatment of flotation concentrate, processing plant adjacent to Roça Grande. Ore from Pilar is trucked a total distance of approximately 40 kilometres by road to the Caeté plant. On March 22, 2018, the Roça Grande mine was placed on care and maintenance. The mine plan during the first quarter was to continue to mine areas of known resources while a drilling program commenced in the RG1 deposit to identify new reserves. Due to high operating costs, the mine was placed on care and maintenance while exploration will continue to try to identify economic reserves. Increased production at Pilar mine will more than offset reduced production through the closure of the Roça Grande Mine.

Caeté Complex Free Cash Flow[1]

($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Caeté Complex		
Revenue	**$ 14,194**	$ 12,750
Less cash operating costs	**9,097**	12,217
Less sustaining capital expenditures	**2,549**	3,804
Free Cash Flow	**$ 2,548**	$ (3,271)

[1] This is a non-GAAP financial performance measures with no standard definition under IFRS.

Pilar Quarterly Production

($ thousands, except where indicated)	**Q1 2018**	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Tonnes of ore processed (t)	**81,000**	81,000	88,000	85,000	84,000	84,000	78,000	72,000
Average head grade (g/t)[1]	**4.13**	3.53	3.77	3.16	3.39	3.11	3.51	3.62
Average recovery rate (%)	**89.2%**	89%	90%	90%	91%	91%	91%	91%
Gold (ozs)								
Produced	**9,553**	8,156	9,674	7,702	8,485	7,569	7,923	7,804
Sold	**9,929**	7,880	9,820	6,625	9,422	7,326	7,821	7,622
Cash operating cost (per oz sold)[2]	**$ 805**	$ 835	$ 804	$ 1,033	$ 1,092	$ 942	$ 762	$ 958
All-in sustaining cost (per oz sold)[2]	**$ 1,062**	$ 1,198	$ 1,042	$ 1,235	$ 1,434	$ 1,287	$ 1,235	$ 1,382
Cash operating cost (R$ per tonne)[2]	**$ 320**	$ 264	$ 284	$ 259	$ 437	$ 271	$ 248	$ 356

[1] The 'average head grade' represents the recalculated head-grade milled.

[2] Cash operating costs, average realized cost and All-in sustaining costs are a non-IFRS financial performance measure with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

During the first quarter of 2018, Pilar produced 9,553 ounces of gold compared to 8,485 ounces in Q1 2017, an increase of 13% due to the net impact of a 22% increase in average head grade, slight decrease in recovery, and a 4% decrease in tonnes processed. Pilar has been using a specialized development contractor to advance primary development. The contractor also completed some secondary waste and ore development which, for 2018, is approximately equal to that done by Jaguar. As the primary ramp advances ahead, the amount of secondary ore development completed by the contractor is reducing.

The cash operating cost per ounce sold for Q1 2018 decreased 26% as compared to Q1 2017, primarily as a result of increase in average head grade.

Pilar Capital Expenditures

($ thousands, except where indicated)	Three months ended March 31, 2018	2017
Sustaining capital[1]		
Primary development	**$ 2,132**	$ 2,258
Brownfield exploration	**176**	131
Mine-site sustaining	**241**	832
Total sustaining capital[1]	**2,549**	3,221
Total non-sustaining capital[1]	**98**	63
Total capital expenditures	**$ 2,647**	$ 3,284

[1] Sustaining and non-sustaining capital 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. Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended March 31, 2018	2017
Primary development	**422**	470
Secondary development	**356**	614
Total development	**778**	1,084
Definition drilling	**782**	1,341
Infill drilling	**2,332**	1,419
Exploration drilling	**83**	2,457
Total definition, infill, and exploration drilling	**3,197**	5,217

Mining

Based on the strong exploration drilling results and increased reserves and resources, primary and secondary development that had been suspended since 2014 and was resumed at Pilar during 2016. A specialized development contractor arrived on site in 2016 to accelerate the main ramp below Level 10 to open up additional resources. The contractor continued to assist with primary and secondary development at Pilar during 2017.

Mining continued to improve at Pilar during 2018, producing 9,553 ounces at an average feed grade of 4.13 g/t Au – the highest average feed grade in the life of the mine. In March, Jaguar mining announced plans to increase production at the Pilar mine to grow over the next 36 months to an expected 55,000-60,000 ounces annually compared to the 2017 production of 34,017 ounces. The guidance for 2018 has increased to 39,000-47,000 ounces. These increases are based on deeper drilling at Pilar showing improved grade and ounce-per-vertical-meter profile as the mine deepens allowing increased gold production.

Processing

During Q1 2018, the Caeté plant processed 81,000 tonnes from Pilar at an average grade of 4.13 g/t compared to 84,000 tonnes at 3.39 g/t in Q1 2017. Recovery for the first quarter was 89.2%, which was lower than the Q1 2017 recovery of 90.8%.

Pilar Free Cash Flow[1]

($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Pilar		
Revenue	**$ 13,021**	$ 11,444
Less cash operating costs	**7,997**	10,294
Less sustaining capital expenditures	**2,549**	3,221
Free Cash Flow	**$ 2,475**	$ (2,071)

1 This is a non-GAAP financial performance measures with no standard definition under IFRS.

Roça Grande Quarterly Production

($ thousands, except where indicated)	**Q1 2018**	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Tonnes of ore processed (t)	**12,000**	14,000	18,000	19,000	17,000	31,000	25,000	21,000
Average head grade (g/t)[1]	**2.54**	2.18	2.89	2.15	2.12	1.93	2.12	2.18
Average recovery rate (%)	**89.2%**	89%	90%	90%	91%	91%	91%	91%
Gold (oz.)								
Produced	**870**	911	1,491	1,197	1,071	1,738	1,556	1,335
Sold	**894**	819	1,519	1,013	1,076	1,759	1,551	1,313
Cash operating cost (per oz. sold)[2]	**$ 1,230**	$ 1,344	$ 1,195	$ 1,439	$ 1,787	$ 1,454	$ 1,249	$ 1,578
All-in sustaining cost (per oz. sold)[2]	**$ 1,230**	$ 1,780	$ 1,241	$ 1,842	$ 2,330	$ 1,504	$ 1,320	$ 1,961
Cash operating cost (R$ per tonne)[2]	**$ 297**	$ 255	$ 319	$ 247	$ 224	$ 272	$ 252	$ 346

1 The 'average head grade' represents the recalculated head-grade milled.

2 Cash operating costs, average realized cost and All-in sustaining costs are a non-IFRS financial performance measure with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

During the first quarter of 2018, Roça Grande produced 870 ounces of gold compared to 1,071 ounces in the corresponding 2017 period, a decrease of 19% or 201 ounces. The cash operating cost per ounce sold for Q1 2018 decreased 31% compared to Q1 2017.

Roça Grande Capital Expenditures

RG		
($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Sustaining capital[1]		
Primary development	**$ -**	$ 370
Brownfield exploration	**-**	96
Mine-site sustaining	**-**	118
Total sustaining capital[1]	**-**	584
Total non-sustaining capital[1]	**-**	137
Total capital expenditures	**$ -**	$ 721

1 Sustaining and non-sustaining capital 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. Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended March 31,	
	2018	2017
Primary development	**-**	74
Secondary development	**-**	14
Total development	**-**	88
Infill drilling	**-**	501
Exploration drilling	**697**	66
Total infill and exploration drilling	**697**	567

The Roça Grande mining activity has historically focused on surface exposures of gold deposits, where the orebody outcropped. The outcrops were mined using open-pit mining techniques, with exploration focused solely on the immediate down-dip projection of gold mineralization, and minimal exploration along strike between the outcrops. At the start of June 2017, underground staff was reduced from four crews working three shifts per day seven days a week, to two crews working two shifts from Monday through Friday.

During Q1 2018, the Caeté plant processed 12,000 tonnes from Roça Grande compared to 17,000 tonnes in Q1 2017. Recovery for the quarter was 89.2%, which was lower than the Q1 2017 recovery of 90.8%. Due to the lack of future reserves and lower grade, in March 2018, the Company made the decision to put Roça Grande on care and maintenance.

Roça Grande Free Cash Flow[1]

($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Roça Grande		
Revenue	**$ 1,172**	$ 1,307
Less cash operating costs	**1,100**	1,923
Less sustaining capital expenditures	**-**	584
Free Cash Flow	**$ 72**	$ (1,200)

[1] This is a non-GAAP financial performance measures with no standard definition under IFRS.

CONSOLIDATED FINANCIAL RESULTS

Quarterly Financial Review[1]

($ thousands, except where indicated)	**Q1 2018**	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Revenue	**$ 25,228**	$ 26,626	$ 26,062	$ 23,352	$ 29,192	$ 30,261	$ 33,618	$ 29,996
Cost of sales (excluding depreciation)[2]	**(15,399)**	(15,526)	(16,116)	(15,990)	(21,508)	(19,355)	(16,191)	(17,887)
Gross profit (excluding depreciation)[2]	**9,829**	11,100	9,946	7,362	7,684	10,906	17,427	12,109
Net (loss) income	**(1,781)**	16,034	(7,664)	(3,323)	(7,877)	(9,280)	(31,648)	(26,866)
Cash flows from operating activities	**4,979**	5,387	7,509	216	1,855	8,467	9,353	10,435
Total assets	**178,779**	183,679	177,806	182,399	181,242	192,788	189,779	189,554
Total liabilities	**61,783**	65,293	75,591	72,671	74,330	78,454	131,618	139,665
Working Capital	**10,978**	14,132	23,171	9,561	3,052	11,332	2,650	892
Total Debt	**14,908**	17,525	19,997	24,299	21,340	22,590	77,786	85,849
Average realized gold price (per oz.)[2]	**$ 1,311**	$ 1,278	$ 1,276	$ 1,266	$ 1,215	$ 1,205	$ 1,328	$ 1,251
Cash operating cost (per oz. sold)[2]	**$ 800**	$ 745	$ 809	$ 857	$ 924	$ 735	$ 645	$ 758

[1] Sum of all the quarters may not add up to the annual total due to rounding.

[2] Average realized gold price, cost of sales (excluding depreciation), gross profit (excluding depreciation) and cash operating costs are all non-IFRS financial performance measures with no standard definition under IFRS. For further information, refer to the Non-IFRS Financial Performance Measures section of the MD&A.

The relative strength in the global gold market positively impacted the Company's revenue in Q1 2018. Current assets decreased $4.7 million as at March 31, 2018, compared to December 31, 2017, primarily as a result of the decrease in cash. Current liabilities decreased $1.6 million as at March 31, 2018, compared to December 31, 2017, due to a decrease in notes payable and accounts payable. Non-current liabilities decreased $2 million as at March 31, 2018, compared to December 31, 2017, resulting from decreases in notes payable and other taxes payable.

Revenue

($ thousands, except where indicated)	Three months ended March 31,		
	2018	2017	Change
Revenue	**$ 25,228**	$ 29,192	(14%)
Ounces sold	**19,237**	24,035	(20%)
Average realized gold price[1]	**$ 1,311**	$ 1,215	8%

[1] Average realized gold price is a non-IFRS financial performance measure with no standard definition under IFRS. For further information, refer to the Non-IFRS Financial Performance Measures section of the MD&A.

Revenue for the first quarter of 2018 decreased 14% compared to the same period in 2017, primarily as a result of a 20% decrease in ounces sold. The market price of gold is a primary driver of the Company's profitability and its ability to generate free cash flow. During the three months ended March 31, 2018, the market price of gold (London PM Fix) traded in a range of $1,308–$1,355, averaged $1,329 per ounce, and closed at $1,324 per ounce on March 31, 2018. The average market price during the first quarter of 2018 was higher compared to the average market price of $1,215 per ounce for the first quarter of 2017.

Production

A total of 174,000 tonnes were processed in Q1 2018 (Q1 2017 – 214,000 tonnes) at an average head grade of 3.76 g/t (Q1 2017 – 3.50 g/t), a 7% increase in average head grade compared to the same period in 2017.

Consolidated Production Costs

($ thousands, except where indicated)	Three months ended March 31,		
	2018	2017	Change
Direct mining and processing cost	**$ 14,459**	$ 20,205	(28%)
Mining	**9,061**	13,109	(31%)
Processing	**5,398**	7,096	(24%)
Royalties, production taxes and others	**940**	1,303	(28%)
Royalty expense and CFEM taxes	**926**	949	(2%)
NRV adjustment and others	**14**	354	(96%)
Total operating expenses	**$ 15,399**	$ 21,508	(28%)
Depreciation	**4,885**	6,576	(26%)
Total cost of sales	**$ 20,284**	$ 28,084	(28%)

[1] Cash operating costs is a non-IFRS financial performance measure with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

Total operating expenses decreased 28% from $21.5 million in the three months ended March 31, 2017 to $15.4 million in 2018, primarily due to 20% lower gold sales and a result of a cost-cutting measures and lower tonnage.

Operating Expenses

($ thousands)	Three months ended March 31,		
	2018	2017	Change
Changes to legal and recoverable tax provisions	**$ 636**	$ 2,148	(70%)
General and administration expenses	**2,303**	2,871	(20%)
Exploration and evaluation costs	**326**	320	2%
Care & maintenance costs (Paciência and Roça Grande mine)	**928**	332	180%
Stock-based compensation	**391**	456	(14%)
Amortization	**43**	85	(49%)
Other operating expenses	**617**	353	75%
Total operating expenses	**$ 5,244**	$ 6,565	(20%)

Operational Excellence Programs

Jaguar initiated a Mining for Excellence (M4X) initiative at all its operations along with an external Brazilian consulting firm. The key to success is to build culture from mine to management where everyone can understand and seek excellence. The ultimate goal is aligning everyone at Jaguar to deliver results and growth in a sustainable and safe way to improve long-term production, embedding the continuous improvement from the shop floor to the management team.

By evaluating current processes and establishing its place in the value chain, Key Performance Indicators were mapped and transformed data into information, bottlenecks were identified in order to implement Excellence Teams (multifunctional teams with aligned goals and financial impact defined) driven by a systematic routine follow-up. Jaguar's M4X has created data management systems in order to have access to near-real-time data on operations to allow monitoring and management of operations.

Jaguar's teams have been trained, on the Plan, Do, Check and Act Methodology (PDCA) to help implement and monitor the program. Efficiency initiatives at MSOL and MTL are yielding tangible results, even breaking records, such as increasing fandrill efficiency, increasing the average tonnes hauled per trip to surface. Controlling the day-to-day routine, the program affects everyone at the company.

Care and Maintenance Costs

Paciência Gold Mine

The Paciência Gold Complex remained on care and maintenance during the first quarter of 2018. No gold has been produced since the first quarter of 2012 when the mine was put on care and maintenance. No underground development or drilling work was carried out by the Company at Paciência during Q1 2018. The complex has been secured and the facilities are preserved and patrolled. A limited maintenance staff turns the mills and equipment on a monthly basis to maintain the plant in working order.

Roça Grande Gold Mine

On March 22, 2018 the Roça Grande Mine was placed on care and maintenance. The mine plan during the first quarter was to continue to mine areas of known resources while a drilling program commenced in the RG1 deposit to identify new reserves. Due to high operating costs, the mine was placed on care and maintenance while exploration continues to identify economic reserves.

General and Administration Expenses

The general and administration ("G&A") expenses exclude mine-site administrative costs which are charged directly to operations and include legal, accounting, costs to maintain offices and personnel in Belo Horizonte, Brazil and Toronto, Canada, and other corporate costs associated with being a publicly-traded company.

($ thousands)	Three months ended March 31,		
	2018	2017	Change
Directors' fees	**$ 122**	$ 96	27%
Audit related and insurance	**200**	107	87%
Corporate office (Toronto)	**609**	946	(36%)
Belo Horizonte office	**1,372**	1,722	(20%)
Total G&A expenses	**$ 2,303**	$ 2,871	(20%)

For the three months ended March 31, 2018, the total G&A expenses decreased 20% compared to the same period in 2017. Costs associated with the Belo Horizonte office were 20% lower in the three months ended in March 31, 2018. Costs for the corporate office in Toronto were 36% lower in Q1 2018 compared to Q1 2017 due to cost cutting measures. Management will continue its cost reduction focus for both Toronto and Belo Horizonte corporate office expenses.

Changes to Legal and Recoverable Taxes Provisions

($ thousands)	Three months ended March 31,		
	2018	2017	Change
Changes to legal provisions	**$ 513**	$ 129	298%
Changes to recoverable taxes provision	**123**	2,019	(94%)
Changes to legal and recoverable taxes provisions	**$ 636**	$ 2,148	(70%)

Legal Provisions

As at March 31, 2018, there were 422 employee-initiated active lawsuits (March 31, 2017 – 479) against the Company, largely related to disputed wages. Based on Management's assessment of the likelihood of loss related to 299 lawsuits (March 31, 2017 – 370), the Company has recorded approximately $9.1 million as labour legal provisions, with $4.6 million classified as a current liability as at March 31, 2018 (December 31, 2017 – $9.4 million and $4.1 million, respectively).

During Q1 2018, seven new lawsuits were initiated. The Company paid approximately $437,000 in appeal deposits and escrow payments, $336,000 in settlement installments, and $180,000 for other costs such as social security, income tax, legal fees, and expert fees. The total amount spent in Q1 2018 was $953,000 compared to $981,000 in Q1 2017.

Recoverable Taxes Provision

As at March 31, 2018, gross recoverable taxes that are primarily denominated in Brazilian Reais, amounted to $20.2 million (December 31, 2017 – $22.5 million). As at March 31, 2018, the provision for recoverable taxes was approximately $7.1 million (December 31, 2017 – $7.3 million). Consequently, the net book value of recoverable taxes as at December 31, 2017 was $13.1 million (December 31, 2017 – $15.2 million).

Certain taxes paid in Brazil on consumables and property, plant, and equipment generate tax credits through various mechanisms. The Company is currently working on several initiatives to ensure optimum utilization of those tax credits, which include assessment of the tax credits for offset against taxes otherwise payable and restitution in cash.

The Company has recorded a provision against its recoverable taxes in Brazil given the limited methods available to recover such taxes and the length of time it will take to recover such taxes. The provision reduces the net carrying amount of value added taxes and other taxes to their estimated recoverable value.

The Company continues to pursue approval of Federal VAT input tax credits with respect to the years 2008 through 2011 for its MSOL operating subsidiary. MSOL is the operating subsidiary for the Caeté complex comprising the Pilar, Roça Grande and Turmalina mines. The Company received a cash refund in the amount of R$3.5 million (approximately $1.0 million) in March 2016, related to MSOL. In July 2016, the Company initiated a lawsuit to obtain a court order to force the tax authority to review the Company's remaining tax credits for MSOL with respect to the years 2008 to 2011, amounting to R$36.0 million (approximately $11.0 million). A court order was granted and by November 2016, the Tax Authority reviewed the claim and granted a favourable decision to partially recognize the amount claimed, deeming R$1.5 million (approximately $0.5 million) due to the Company. The Company collected this amount and proceeded to appeal the Tax Authority´s review result in pursuit of further tax credit refund recognition on this claim.

ICMS is a type of value added tax which can either be sold to other companies (usually at a discount rate of 15%–41%) or be used to purchase specified machinery and equipment, as subject to approval by government authority. The ICMS credits can only be realized in the state where they were generated; in the case of Jaguar, this is in the state of Minas Gerais, Brazil. In the three months ended March 31, 2018, the Company sold R$ 2 million (approximately $0.6 million) in ICMS export tax credits and received approval from the state tax authority to sell an additional R$ 4.5 million (approximately $1.4 million) in ICMS export tax credits. As at March 31, 2018, the Company held R$8.3 million (approximately $2.5 million) in ICMS export tax credits authorized for sale but not yet sold (December 31, 2017 – R$5 million, approximately $1.5 million).

In Q1 2018, Jaguar resolved a dispute with the Canada Revenue Agency ("CRA") with respect to its recoverable harmonized sales taxes (HST). On February 5, 2018, Jaguar received a favorable judgment from the tax court of Canada relating to HST refunds claimed for the period October 1, 2013, to December 31, 2015. As at December 31, 2017, the Company had $1.7 million in recoverable HST taxes on its balance sheet, $1.3 million of which related to the period from October 1, 2013, to December 31, 2015. The remaining $0.4 million relates to the period January 1, 2016 to December 31, 2017. During March 2018, the Company received the recoverable HST tax refund in its entirety from the CRA.

Impairment

The Turmalina, Caeté, and Paciência projects are cash generating units ("CGUs"), which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production such as mineral rights and deferred exploration costs. A CGU is generally an individual operating mine or development project.

For the three months ended March 31, 2017, there were no indicators of impairment or reversal of past impairment charges.

Non-Operating Expenses (Recoveries)

($ thousands)	Three months ended March 31,		
	2018	2017	Change
Foreign exchange loss	**$ 290**	$ 460	(37%)
Financial instruments loss	**102**	28	264%
Finance costs	**776**	1,566	(50%)
Other non-operating expenses (income)	**82**	(27)	(404%)
Non-operating expenses	**$ 1,250**	$ 2,027	(38%)

During the three months ended March 31, 2018, finance costs mainly represents interest on debt and accretion expense.

Sprott Facility

On November 7, 2016, the Company entered into an agreement with Sprott Private Resource Lending (Collector) LP ("Sprott Lending") for a secured loan facility (the "Sprott Facility") totalling $10 million ("Tranche 1") to fund accelerated growth exploration initiatives. Tranche 1 of the Sprott Facility is payable over a term of 30 months, in equal monthly repayments of principal, plus interest, with an interest rate of 6.5% per annum, plus the greater of US dollar LIBOR or 1.25% per annum. In consideration for the structuring and syndication of Tranche 1, the Company has made a cash payment to Sprott Lending for structuring and legal fees. In consideration for and providing the financing commitment, the Company has issued an aggregate of 650,000 common shares of Jaguar to Sprott Lending and to Natural Resource Income Investing Limited Partnership.

On June 9, 2017, the Company entered into an agreement with Sprott Resource Lending (referred as "Sprott Facility") for an additional tranche totalling $5 million ("Tranche 2"). Tranche 2 of the Sprott Facility is payable over a term of 36 months, in equal monthly repayments of principal, plus interest, with an interest rate of 6.5% per annum, plus the greater of US dollar LIBOR or 1.25% per annum. In consideration for the structuring and syndication of Tranche 2, the Company has made a cash payment to Sprott Lending for legal fees. In consideration for providing the financing commitment, the Company has issued an aggregate of 375,000 common shares of Jaguar to Sprott Resource Lending and to Natural Resource Income Investing Limited Partnership.

The Sprott Facility is a financial liability, under IAS 32, and was initially measured at fair value and subsequently measured at amortized cost using the effective interest method. During the three months ended March 31, 2018, $88,000 was recorded as finance costs in the interim condensed consolidated statements of operations and comprehensive loss related to the accretion of the transaction costs (three months ended March 31, 2017 – $102,000). During the three months ended March 31, 2018, and in accordance with the terms of the Sprott Facility, the Company made principal repayments of $1.4 million and ($1 million during the three months ended March 31, 2017), and interest payments of $181,000 respectively ($185,000 respectively during the three months ended March 31, 2017).

The Sprott Facility is provided by security agreements comprising the Company's and its subsidiary present and future assets, the shares of the subsidiary and a loan guarantee by the subsidiary. The Sprott Facility requires, among other things, that the Company adhere to specific financial covenants, such as maintaining a minimum of $5 million unrestricted cash and cash equivalents and positive working capital computed monthly. Sprott Lending waived the Company's obligation to comply with the positive working capital covenant from the period April 1 – June 29, 2017, and the Company was in compliance with the Sprott Facility covenants as at period end. To the date of this MD&A, Jaguar has repaid $7.5 million of principal from the Sprott Facility and $7.5 million remains outstanding as at March 31, 2018.

Taxes

Brazilian Taxes

Brazilian tax regulation involves three jurisdictions and tax collection levels: Federal, State and Municipal. The main taxes levied are: corporate income tax with companies generally subject to income tax at a rate of 25%, social contribution tax on the net profit at a current rate of 9%, and VAT taxes at a rate of 9.25% for PIS/CONFINS and 12–18% for ICMS.

Government Royalty

In July 2017, an executive decree was published increasing the Brazilian royalty that is levied on gold sales, Compensação Financeira pela Exploração de Recursos Minerais ("CFEM"), from 1% to 1.5% effective November 1, 2017. The legislation also outlines a change in the methodology for calculating the royalty from being calculated on gross revenue less refining charges and insurance, as well as any applicable sales taxes, to being calculated on gross revenue only.

Income and Deferred Taxes Expenses

($ thousands)	Three months ended March 31,		
	2018	2017	Change
Current income tax expense	**$ 231**	$ 393	(41%)
Income tax expense	**$ 231**	$ 393	(41%)

The income tax provision is subject to a number of factors, including the allocation of income between different countries, different tax rates in various jurisdictions, the non-recognition of tax assets, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors as discussed above, it is expected that the Company's effective tax rate will fluctuate in future periods.

REVIEW OF FINANCIAL CONDITION

Outstanding Debt

Total debt outstanding as at March 31, 2018, was $14.9 million (of which $7.9 million was the amortized cost of the Sprott Facility), compared to $17.5 million as at December 31, 2017 (of which $9.4 million was the amortized cost of the Sprott Facility).

Liquidity and Cash Flow

The Company had working capital of $11.0 million as at March 31, 2018 ($14.1 million as at December 31, 2017). Working capital as at March 31, 2018, includes $4.4 million in loans from Brazilian banks ($5.2 million as at December 31, 2017), which mature every six months and are expected to continue to be rolled forward. The Company is in compliance with the financial covenants related to the Sprott Facility that require the Company to maintain a minimum of $5 million unrestricted cash and cash equivalents and positive working capital computed monthly.

		March 31, 2018		December 31, 2017
Cash and cash equivalents	**$**	**14,344**	$	18,628
Non-cash working capital				
Other current assets:				
Restricted cash		**4,094**		2,926
Inventory		**10,779**		12,257
Recoverable taxes		**9,504**		10,848
Other accounts receivable		**4,569**		3,576
Prepaid expenses and advances		**1,480**		1,241
Current liabilities:				
Accounts payable and accrued liabilities		**(17,065)**		(17,896)
Notes payable		**(11,338)**		(12,385)
Other provisions and liabilities		**(4,562)**		(4,069)
Other current liabilities		**(827)**		(994)
Working capital[1]	**$**	**10,978**	$	14,132

[1] This is a non-GAAP financial performance measures with no standard definition under IFRS.

The use of funds during the three months ended March 31, 2018, is outlined below:

($ thousands)		**Three months ended March 31, 2018**		2017
Cash generated from operating activities	**$**	**4,979**	$	1,855
Investing activities				
Capital expenditures on equipment and brownfield exploration				
Mineral exploration projects	**$**	**(73)**	$	29
Purchase of property, plant and equipment	**$**	**(6,825)**	$	(7,748)
Proceeds from disposition of property, plant and equipment	**$**	**132**	$	273
Cash used in investing activities	**$**	**(6,766)**	$	(7,446)
Financing activities				
Cash received upon issuance of debt		**-**		3,521
Repayment of debt		**(2,744)**		(5,271)
Interest paid		**(256)**		(706)
Cash provided by (used in) financing activities	**$**	**(3,000)**	$	(2,456)
Effect of exchange rate changes on cash balances		**503**		(102)
Net increase (decrease) in cash and equivalents	**$**	**(4,284)**	$	(8,149)

The $3.1 million increase in operating cash flows for Q1 2018 compared to Q1 2017 is primarily due to the decrease in cash operating costs.

A summary of capital spending is outlined below:

($ thousands)	Three months ended March 31,	
	2018	2017
Sustaining capital[1]		
Primary development	**$ 5,644**	$ 3,805
Brownfield exploration	**308**	485
Mine-site sustaining		
Equipment	**715**	1,742
Total sustaining capital[1]	**6,667**	6,032
Non-sustaining capital (including capital projects)[1]		
Gurupi	**-**	71
Turmalina	**392**	602
Caete	**101**	200
Total non-sustaining capital[1]	**493**	873
Total capital expenditures	**$ 7,160**	$ 6,905

[1] Sustaining and non-sustaining capital are non-IFRS financial measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A. Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

Contractual Obligations and Commitments

The Company's contractual obligations as at March 31, 2018, are summarized as follows:

($ thousands, except where indicated)	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Accounts payable and accrued liabilities[1]	$ 17,065	$ -	$ -	$ -	**$ 17,065**
Notes payable					
Principal					
Bank indebtedness[2]	4,350	-	-	-	**4,350**
Capital leasing obligations	1,045	796	-	-	**1,841**
Vale note	500	750	-	-	**1,250**
Sprott Facility	5,667	2,278	-	-	**7,945**
Interest	664	128	-	-	**792**
Total financial liabilities	$ 29,291	$ 3,952	$ -	$ -	**$ 33,243**
Other Commitments					
Operating lease agreements	$ 6	$ -	$ -	$ -	**$ 6**
Suppliers' agreements[3,4]	567	-	-	-	**567**
Other provisions and liabilities	4,562	6,696	-	-	**11,258**
Reclamation provisions[5]	474	5,088	6,341	10,124	**22,027**
Total other commitments	$ 5,609	$ 11,784	$ 6,341	$ 10,124	**$ 33,858**
Total	**$ 34,900**	**$ 15,736**	**$ 6,341**	**$ 10,124**	**$ 67,101**

[1] Amounts payable as at March 31, 2018.

[2] Bank indebtedness represents the principal on Brazilian bank loans that are renewed every nine months.

[3] Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares.The Company has the contractual right to cancel the mine operation contracts with 30 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 days.

[4] Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares.

[5] Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

CAPITAL STRUCTURE

The capital structure of the Company as at March 31, 2018, is outlined below:

All amounts in $ thousands, except number of common shares		As at March 31, 2018
Bank indebtedness	$	4,350
Capital leasing obligations		1,707
Vale note		1,155
Sprott Facility		7,696
Total debt	**$**	**14,908**
Less: cash and cash equivalents		(14,344)
Total net debt[1]	**$**	**564**
Number of common shares outstanding		325.1 million

[1] Net debt is a Non-IFRS Performance Measure and is defined as total indebtedness excluding unamortized transaction costs and premiums or discounts associated with debt, less cash and cash equivalents. Net debt provides a measure of indebtedness in excess of the current cash available. The Company reduces gross indebtedness by cash and cash equivalents on the basis that they could be used to pay down debt.

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet investment or debt arrangements.

RELATED PARTY TRANSACTIONS

The Company incurred legal fees from Azevedo Sette Advogados (“ASA”), a law firm where Luis Miraglia, a director of Jaguar, is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive loss. Legal fees paid to ASA were $42,000 for the three months ended March 31, 2018 ($44,000 for the three months ended March 31, 2017)

On November 7, 2016, and on June 9, 2017, the Company entered into two secured loan facilities with Sprott Private Resource Lending (Collector) LP, which is an indirectly wholly owned subsidiary of Sprott Inc., of which the Chairman is Mr. Eric Sprott. Mr. Sprott is a shareholder and held approximately 21.9% of the common shares of the Company as at March 31, 2018 (March 31, 2017 – 19%).

DEVELOPMENT AND EXPLORATION PROJECTS

Development Project – Gurupi

<u>Avanco – Gurupi Project Earn-In Agreement</u>

On October 4, 2016, the Company announced that it entered into an earn-in agreement with Avanco Resources Limited (“Avanco”), pursuant to which Avanco may earn up to a 100% interest in the Gurupi Project. On September 17, 2017, Jaguar and Avanco agreed to a revised, accelerated earn-in agreement with Avanco, pursuant to which Avanco will earn up to a 100% ownership interest in the Gurupi Project after meeting some short-term milestones and making a series of payments to Jaguar.

<u>Main Terms of the Revised Accelerated Earn-in Agreement</u>

Upon the satisfactory completion of certain closing conditions, the agreement provides Avanco with the right to acquire 100% of Jaguar’s interest in the Gurupi Project by paying to Jaguar an aggregate cash payment of $4 million in two installments of $2 million each ($2 million, due immediately upon signature; $2 million, due immediately upon transfer of ownership) and committing to a net smelter royalty due to Jaguar. Jaguar received an initial aggregate cash payment of $4 million, in two installments of $2 million each in September and October 2017. The Company expects to collect the additional $5 million from Avanco in a series of 10 instalments of $500,000 during fiscal years 2018 and 2019, starting in the month in which Avanco receives “clear title and access” to the project.

Within 24 months of the initial $4 million payment, Avanco will arrange to have published an Australian Joint Ore Reserve Committee (JORC) code compliant technical report regarding the Project with mineral reserves in excess of 500,000 ounces of gold. Any delay in this milestone will result in a project delay fee payable to Jaguar of $250,000 per six months of delayed period. Within 60 months of the initial $4 million payment, Avanco will aim to commission the Gurupi mine and plant. Any delay in this commissioning milestone will result in a separate project delay fee payable to Jaguar of $250,000 per six months of delayed period.

Consistent with the original earn-in agreement, Jaguar will retain a life of mine Net Smelter Return (“NSR”) royalty (“Royalty”) from production at Gurupi. The Royalty will be 1% NSR on the first 500,000 ounces of gold or gold ounce equivalents sold; 2% NSR on sales from 500,001 to 1,500,000 ounces of gold or gold ounce equivalents; and 1% NSR on gold sales exceeding 1,500,000 ounces of gold or gold ounce equivalents.

Greenfield Exploration

Jaguar currently holds approximately 64,000 hectares of mineral rights. New mining legislation in Brazil has been tabled and the outcome of any mining law reform is, as of yet, unknown. The Company intends to assess its holdings in due course, to establish a disposition plan of certain assets in the context of any change to holding cost, which is currently minimal.

Apart from properties in relatively close proximity to the existing mining operations, the only significant greenfield asset within the exploration portfolio is the Pedra Branca target where good grade surface expressions were identified by mapping and channel samples and have led to some 8,000 metres of exploration drilling to date. Due to prior financial constraints, this prospect has remained dormant but offers opportunity for further exploration should funds be available.

Pedra Branca Project

The Pedra Branca Project is located in the State of Ceará in northeastern Brazil and is currently comprised of 24 exploration licences, totalling 38,926 hectares covering a 38-kilometre section of a regional shear zone. Final exploration reports and a Preliminary Economic Analysis ("PEA") have been delivered to DNPM for three of these licences. The concessions are located in and around municipal areas with good infrastructure. The mineralized structures are open along strike with potential for significant gold mineralization.

Work on the Pedra Branca Project has been re-started with a view to reaching an informed technical and non-technical decision on the future direction of this project while the Company remains focused on its Iron-Quad domiciled Turmalina and Caeté operations. Consequently, the Company is limiting expenditures to those required to maintain the claims and land tenure in good standing whilst reviewing and updating interpretive work using historical data and a developing a more systematic approach to exploring the properties. The Pedra Branca Project is 100% owned by Jaguar. Based on the acquisition agreement of the project entered into with Glencore Xstrata plc. ("Glencore"), Glencore holds rights to a NSR of 1% on future gold production and rights of first refusal on any Base Metal Dominant Deposit (as defined in the amendment) discovered which, if exercised, would allow Glencore to hold 70% of equity in a newly formed legal entity to hold such rights upon payment of 300% of the Company's exploration expenditures incurred exclusively on the relevant Base Metal Dominant Area of the property.

QUALIFIED PERSON

Scientific and technical information contained in this MD&A have 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").

OUTSTANDING SHARE DATA

The following are the issued and outstanding common shares and numbers of shares issuable under share-based compensation and warrants:

	As at May 9, 2018
Issued and outstanding common shares	325,115,403
Stock options	10,218,143
Deferred share units	4,914,662
Finder's warrants	3,073,411
Total	**343,321,619**

NON-IFRS PERFORMANCE MEASURES

The Company has included the following non-IFRS performance measures: cash operating costs per tonne of ore processed, cash operating costs per ounce of gold sold, all-in sustaining costs per ounce of gold sold, cash operating margin per ounce of gold sold, all-in sustaining margin per ounce sold, adjusted operating cash flow, free cash flow, earnings before tax, depreciation and amortization ("EBITDA"), adjusted Working Capital, and adjusted EBITDA in this document. These non-IFRS performance measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. More specifically, Management believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and (iii) an internal benchmark of performance to allow for comparison against other mines. The definitions of these performance measures and reconciliation of the non-IFRS measures to reported IFRS measures are outlined below.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs, All-In Costs per Ounce Sold

($ thousands, except where indicated)	Three months ended March 31, 2018	2017
Operating costs (per note 15 of the consolidated FS)	**$ 15,399**	$ 21,508
Cost adjustment[1]	**-**	705
Adjusted operating expenses	**15,399**	22,213
General & administration expenses	**2,303**	2,871
Corporate stock-based compensation	**391**	456
Sustaining capital expenditures	**6,667**	6,032
All-in sustaining cash costs	**24,760**	31,572
Reclamation - accretion (operating sites)	**39**	226
All-in sustaining costs	**$ 24,799**	$ 31,798
Non-sustaining capital expenditures	**493**	873
Exploration and evaluation costs (greenfield)	**326**	320
Reclamation - accretion (non-operating sites)	**26**	106
Care and maintenance (non-operating sites)	**928**	332
All-in costs	**$ 26,572**	$ 33,429
Ounces of gold sold	**19,237**	24,035
Cash operating costs per ounce sold	**$ 800**	$ 924
All-in sustaining costs per ounce sold	**$ 1,289**	$ 1,323
All-in costs per ounce sold	**$ 1,381**	$ 1,391
Average realized gold price	**$ 1,311**	$ 1,215
Cash operating margin per ounce sold	**$ 511**	$ 291
All-in sustaining margin per ounce sold	**$ 22**	$ (108)

[1] Cost adjustment includes any unusual items recorded during the quarter that do not relate to the current quarter's cost of sales or are non-cash items.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs per Ounce Sold by Mine Complex/Site

($ thousands, except where indicated)	Three months ended March 31, 2018	2017
Turmalina Complex		
Operating costs	**$ 6,302**	$ 9,996
Sustaining capital expenditures	**4,118**	2,227
All-in sustaining costs[1]	**$ 10,420**	$ 12,223
Ounces of gold sold	**8,414**	13,536
Cash operating costs per ounce sold[1]	**$ 749**	$ 738
All-in sustaining cost per ounce sold[1,2]	**$ 1,238**	$ 903
Caeté Complex		
Operating costs	**$ 9,097**	$ 12,217
Sustaining capital expenditures	**2,549**	3,804
All-in sustaining costs[1]	**$ 11,646**	$ 16,021
Ounces of gold sold	**10,823**	10,498
Cash operating costs per ounce sold[1]	**$ 841**	$ 1,164
All-in sustaining cost per ounce sold[1,2]	**$ 1,076**	$ 1,526
Pilar Mine		
Operating costs	**$ 7,997**	$ 10,294
Sustaining capital expenditures	**2,549**	3,221
All-in sustaining costs[1]	**$ 10,546**	$ 13,515
Ounces of gold sold	**9,929**	9,422
Cash operating costs per ounce sold[1]	**$ 805**	$ 1,092
All-in sustaining cost per ounce sold[1,2]	**$ 1,062**	$ 1,434
RG Mine		
Operating costs	**$ 1,100**	$ 1,923
Sustaining capital expenditures	**-**	584
All-in sustaining costs[1]	**$ 1,100**	$ 2,507
Ounces of gold sold	**894**	1,076
Cash operating costs per ounce sold[1]	**$ 1,230**	$ 1,787
All-in sustaining cost per ounce sold[1,2]	**$ 1,230**	$ 2,330

[1] Results of individual mines may not add up to the consolidated numbers due to rounding.

[2] The AISC calculation by mine site does not include allocation of Corporate (Toronto and Belo Office G&A).

Reconciliation of Free Cash Flow

($ thousands, except where indicated)	Three months ended March 31, 2018	2017
Cash generated from operating activities	**$ 4,979**	$ 1,855
Sustaining capital expenditures	**(6,667)**	(6,032)
Free cash flow	**$ (1,688)**	$ (4,177)
Ounces of gold sold	**19,237**	24,035
Free cash flow per ounce sold	**$ (88)**	$ (174)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

($ thousands, except where indicated)	Three months ended March 31,	
	2018	2017
Net loss	**$ (1,781)**	$ (7,877)
Income tax expense	**231**	393
Finance costs	**776**	1,566
Depreciation and amortization	**4,928**	6,661
EBITDA	**$ 4,154**	$ 743
Changes to legal provisions and recoverable VAT	**636**	2,148
Foreign exchange loss	**290**	460
Stock-based compensation	**391**	456
Inventory write-down	**-**	376
Financial instruments loss	**102**	28
Adjusted EBITDA	**$ 5,573**	$ 4,211

RISKS AND UNCERTAINTIES

The business of the Company involves significant risk due to the nature of mining, exploration, and development activities. Certain risk factors are related to the mining industry in general while others are specific to Jaguar. The Company's exposure to risks and other uncertainties are particularly described in the Company's Annual Information Form for the year ended December 31, 2017, filed on SEDAR under the profile of Jaguar Mining Inc. Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Further exploration on, and development of, the Company's properties, will require additional capital. In addition, a positive production decision on any of the Company's development projects would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to either generate sufficient funds internally or to obtain financing through the joint venturing of projects, debt financing, equity financing or other means.

The financial covenants related to the Sprott Facility require the Company to maintain a minimum of $5 million unrestricted cash and cash equivalents and positive working capital computed monthly. Sprott Lending waived the Company's obligation to comply with the positive working capital covenant from the period of April 1, 2017, through June 29, 2017.

The Company's principal operations and mineral properties are located in Brazil. There are additional business and financial risks inherent in doing business in Brazil as compared to the United States or Canada. Since 1996, Transparency International has published the Corruption Perceptions Index ("CPI") annually ranking countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The CPI ranks countries on a scale from 100 (very clean) to 0 (highly corrupt). In 2016 and out of 176 countries in the World, Canada ranked 9th with CPI score of 82, the United States ranked 18th with a CPI score of 74, and Brazil ranked 79th with a CPI score of 40. For North and South America, the average score on the 2016 Corruption Perceptions Index was 44 out of 100. Anything below 50 indicates governments are failing to tackle corruption and it represents a challenge in those countries requiring extra attention by those who conduct business there.

Corruption does not only occur with the misuse of public, government or regulatory powers; it also can occur in businesses' supplies, inputs and procurement functions (such as illicit rebates, kickbacks and dubious vendor relationships), as well as the inventory and product sales functions (such as inventory shrinkage or skimming). Employees as well as external parties (such as suppliers, distributors and contractors) have opportunities to commit procurement fraud and other wrongs against the Company. While corruption, bribery and fraud risks can never be fully eliminated, the Company reviews and implements controls to reduce the likelihood of these irregularities occurring.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires Management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain estimates, such as those related to the assessment of recoverability of the carrying amount of property, plant, equipment and mineral exploration projects, valuation of recoverable taxes, deferred tax assets and liabilities, reclamation provisions, derivatives, liabilities associated with certain long-term incentive plans, measurement of inventory, provisions for legal actions and contingencies, and disclosure of contingent assets and liabilities depend on subjective or complex judgments about matters that may be uncertain. Changes in these estimates could materially impact the Company's condensed interim consolidated financial statements.

The critical accounting estimates, judgments, and assumptions applied in the preparation of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2018, are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2017. For details of these estimates, judgments, and assumptions, please refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2017, which are available on the Company's website and on SEDAR.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies and estimates applied in these condensed interim consolidated financial statements are consistent with those used in the Company's audited annual consolidated financial statements for the year ended December 31, 2017, except for a change in the units of production depreciation and the adoption of the following standard amended by the IASB that was effective and adopted as of January 1, 2018:

- Units of production depreciation - As of January 1, 2018, the Company changed the accounting estimates used to depreciate the Caete's mining properties and mineral exploration projects on a unit-of-production basis from using the expected amount of recoverable reserves to the use of the expected amount of recoverable mineral resources. The change in accounting estimate was made to ensure depreciation reflects management's best estimate of the useful life of the Caeté project and has been accounted for on a prospective basis. Due to the annual updating of recoverable mineral resources, it is impracticable to estimate the impact of the change in estimate in future periods.

- IFRS 2 Share-based Payment ("IFRS 2") – In June 2016, the IASB issued amendments to IFRS 2 Share-based Payment, covering the measurement of cash-settled share-based payments, classification of share-based payments settled net of tax withholdings, and accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements, and potentially the timing and amount of expense recognized for new and outstanding awards. There was no material impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

- IFRS 9 Financial Instruments ("IFRS 9") – In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9's key changes include but are not limited to eliminating the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available for sale and (ii) replacing IAS 39's incurred loss model with the expected credit loss model in evaluating certain financial assets for impairment. In implementing IFRS 9, the Company updated the financial instrument classifications within its accounting policy as follows:

Asset or Liability	Classification at December 31, 2017 under IAS 39	Classification Effective January 1, 2018 Under IFRS 09
Cash and cash equivalents	Loans and receivables	Amortized cost
Other accounts receivable	Loans and receivables	Amortized cost
Derivative assets and liabilities	FVTPL (Fair value through profit and loss)	FVTPL (Fair value through profit and loss)
Accounts payable and accrued liabilities	Other financial liabilities	Other financial liabilities
Notes payable (excluding the Sprott Facility)	Other financial liabilities	Other financial liabilities
Other provisions	Other financial liabilities	Other financial liabilities
Sprott Facility	Amortized cost	Amortized cost

There was no material impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

- IFRS 15 Revenue from Contracts with Customers ("IFRS 15") – In May 2014, the IASB issued IFRS 15, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In implementing IFRS 15, the Company converted its revenue recognition policy into a five step model to recognize revenue upon satisfying performance obligations and transferring control of its inventory to its customers. The following is the new accounting policy for revenue recognition under IFRS 15:

  The five step model is summarized as follows:

  1. Identify the contract with a customer
  2. Identify the performance obligations in the contract
  3. Determine the transaction price
  4. Allocate the transaction price to the performance obligations in the contract
  5. Recognize revenue when (or as) the entity satisfies a performance obligation

  The Company produces gold doré which is generally refined by a third party and delivered to its customers, sold at a sales price based on prevailing spot market gold prices. The Company recognizes revenue when it transfers control of the gold doré to the customer, which generally occurs upon delivery. Payment is received on the date or within a few days of transfer of control.

  There was no material impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22") – In December 2016 the IASB issued IFRIC 22. IFRIC 22 clarifies the date that should be used for translation when a foreign currency transaction involves an advance payment or receipt. There was no material impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

The following are recent pronouncements approved by the IASB that are pending adoption:

- IFRS 16 Leases ("IFRS 16") – In January 2016, the IASB issued IFRS 16, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15, has been applied or is applied at the same date as IFRS 16. The impact of IFRS 16 on the Company's consolidated financial statements has not yet been determined.

- IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23") On June 2017, the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments. The interpretation seeks to bring clarity to the accounting for income tax that have yet to be accepted by tax authorities and provides requirements, in addition to the requirements in IAS 12 Income Taxes, by specifying how to reflect the effects of uncertainty in accounting for income taxes. IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted. The impact of IFRIC 23 on the Company's consolidated financial statements has not yet been determined.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to permit timely decisions regarding public disclosure.

The Company's Management, including the CEO and CFO, has as at March 31, 2018, designed Disclosure Controls and Procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made known to them by others, particularly during the period in which the interim filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

The Company's Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO and effected by Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2018, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's Management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. This forward-looking information includes, but is not limited to, statements concerning the Company’s future objectives, Measured and Indicated Mineral Resources, Proven and Probable Mineral Reserves, their average grade, the commencement period of production, cash operating costs per ounce and completion dates of feasibility studies, gold production and sales targets, capital expenditure costs, future profitability and growth in mineral reserves. Forward-looking information 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. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating gold prices and monetary exchange rates, the possibility of project delays and cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to production rates, timing of production and the cash and total costs of production, changes in applicable laws including laws related to mining development, environmental protection, and the protection of the health and safety of mine workers, the availability of labour and equipment, the possibility of civil insurrection, labour strikes and work stoppages and changes in general economic conditions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.

This forward-looking information represents the Company’s views as of the date of this MD&A. The Company anticipates that subsequent events and developments may cause the Company’s views to change. The Company does not undertake to update any forward-looking information, either written or oral, that may be made from time to time by, or on behalf of the Company, subsequent to the date of this discussion, other than as required by law. For a discussion of important factors affecting the Company, including fluctuations in the price of gold and exchange rates, uncertainty in the calculation of mineral resources, competition, uncertainty concerning geological conditions and governmental regulations and assumptions underlying the Company’s forward-looking information, see “CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS” and “RISK FACTORS” in the Company’s Annual Information Form for the year ended December 31, 2017 that can be accessed under the profile of Jaguar Mining Inc. on SEDAR at www.sedar.com. Further information about the Company is available on its corporate website at www.jaguarmining.com.