JAGUAR
MINING INC.

NEWS RELEASE

August 15, 2018 **TSX: JAG**
FOR IMMEDIATE RELEASE

Jaguar Mining Reports Second Quarter Financial Results; Revises 2018 Production Guidance

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Toronto, August 15, 2018 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) today announced financial results for the three and six months ended June 30, 2018 (“Q2 2018”). All figures are in US dollars, unless otherwise expressed. Detailed financial results for Q2 2018 are available on www.sedar.com and on the Company’s website www.jaguarmining.com.

Q2 2018 vs. Q2 2017 Financial Highlights

- Strong operating cost performance drives 139% increase in gross profit to $6.1 million on lower revenue of $22.9 million.
- Consolidated cash operating costs (“COC”) improved 16% to $717 per ounce of gold sold.
- Consolidated all-in sustaining costs (“AISC”) increased 1% to $1,277 per ounce of gold sold reflecting strong investment in Turmalina Gold Mine (“Turmalina”).
- Consolidated gold production of 18,819 ounces, compared to 19,769 ounces in Q2 2017. Q2 2018 average feed grade was 3.77 g/t compared to 3.18 g/t for the comparative period.
- Strong operating cash flow of $4.5 million, significantly higher compared to $0.2 million for the comparative period.
- Sustaining capital expenditures of $7 million in Q2 2018, up 52% from $4.6 million in Q2 2017, investing in key primary development and new mining equipment.
- Adjusted EBITDA of $5.3 million, up 43% from $3.7 million from comparative period.
- Cash balance of $9.2 million as of June 30, 2018, including $1 million financing repayments, reducing total bank debt to approximately $12.3 million at quarter end.
- Company revises 2018 production guidance to 80,000 – 85,000 ounces. Pilar continues to perform well and is on track to meet its production guidance. Turmalina production is expected to be below guidance, as management continues to address the operational issues through the remainder of 2018.

Q2 2018 FINANCIAL & OPERATING SUMMARY

($ thousands, except where indicated)	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	**2018**	2017
Financial Data				
Revenue	**$ 22,888**	$ 23,352	**$ 48,116**	$ 52,544
Operating costs	**12,356**	15,990	**27,755**	37,498
Depreciation	**4,407**	4,796	**9,293**	11,372
Gross profit	**6,125**	2,566	**11,068**	3,674
Net (loss)	**(1,334)**	(3,323)	**(3,115)**	(11,200)
Per share ("EPS")	**(0.00)**	(0.01)	**(0.01)**	(0.04)
EBITDA[1]	**4,262**	3,709	**8,417**	4,452
Adjusted EBITDA[1,2]	**5,303**	3,712	**10,876**	7,923
Adjusted EBITDA per share[1]	**0.02**	0.01	**0.03**	0.03
Cash operating costs (per ounce sold)[1]	**717**	857	**761**	895
All-in sustaining costs (per ounce sold)[1]	**1,277**	1,262	**1,283**	1,296
Average realized gold price (per ounce)[1]	**1,328**	1,266	**1,319**	1,237
Cash generated from operating activities	**4,460**	216	**9,438**	2,071
Adjusted operating cash flow[1]	**6,910**	4,391	**12,223**	8,553
Free cash flow[1]	**(2,501)**	(4,361)	**(4,191)**	(8,538)
Free cash flow (per ounce sold)[1]	**(145)**	(236)	**(115)**	(201)
Sustaining capital expenditures[1]	**6,961**	4,577	**13,629**	10,609
Non-sustaining capital expenditures[1]	**592**	1,390	**1,600**	2,263
Total capital expenditures	**7,553**	5,967	**15,229**	12,872

[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 June 30,		For the six months ended June 30,	
	2018	2017	**2018**	2017
Operating Data				
Gold produced (ounces)	**18,819**	**19,769**	**37,684**	42,061
Gold sold (ounces)	**17,230**	**18,453**	**36,467**	42,487
Primary development (metres)	**1,277**	**824**	**2,347**	1,734
Secondary development (metres)	**578**	**989**	**1,025**	2,370
Definition, infill, and exploration drilling (metres)	**8,763**	**11,069**	**18,204**	22,933

Cash Position, Working Capital and Foreign Exchange

- As at June 30, 2018, the Company had a cash position of $9.2 million, compared to $18.6 million as at December 31, 2017. The June 30, cash balance excludes the $2 million of cash deposit with Auramet. The lower cash balance compared to the end of 2017 reflects $15.22 million in total Capital Expenditures and lower gold sales that declined 14% in the first six months ended June 30, 2018.
- Working capital was $4 million as at June 30, 2018, compared to $14.1 million as at December 31, 2017. Working capital reduction is mainly due to the replacement of the Sprott Resource Lending facility with Auramet Facility, as the latter is classified as short term.

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Financial Summary Highlights

- Revenue for Q2 2018 decreased 2% to $22.9 million (17,230 ounces), compared with $23.4 million (18,453 ounces) in Q2 2017, due to a 7% decrease in ounces sold, offset by 5% higher average gold realized price of $1,328 in Q2 2018 compared with $1,266 in Q2 2017.
- Gross profit for the three and six months ended June 30, 2018, was $6.1 million and $11.1 million, respectively, compared to $2.6 million and $3.7 million for Q2 2017 and YTD 2017, mainly attributed to reduction in cash operating costs.
- Adjusted EBITDA for Q2 2018 was $5.3 million compared to $3.7 million for Q2 2017, while adjusted EBITDA for the first half of 2018 was $10.9 million compared to $7.9 million in the first half of 2017.

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

- Cash operating costs decreased 16% to $717 per ounce of gold sold for Q2 2018, compared to $857 per ounce sold during Q2 2017, primarily due to operational excellence measures and the 12% weakening of the Brazilian Real. AISC increased 1% to $1,277 per ounce of gold sold in Q2 2018, compared to $1,262 per ounce sold during Q2 2017.
- In Q2 2018, sustaining capital increased 52% to $7 million focused on primary development and exploration drilling, compared to $4.6 million in Q2 2017. Operating cash flow was $4.5 million for Q2 2018, compared to $0.2 million in Q2 2017, mainly due to the decrease in cash costs of 16%, or $140 dollars per ounce.

2018 Revised Guidance

- Company revises 2018 production guidance to 80,000 – 85,000 ounces. Pilar continues to perform well and is on track to meet its production guidance.
- Turmalina production is expected to be below guidance, as management continues to address the operational issues through the remainder of 2018.

Management Change

The Company also announces that Rodney Lamond is leaving his position as CEO and director of Jaguar. Benjamin Guenther has been appointed as Interim Chief Executive Officer effective immediately. Mr. Guenther was appointed to the Board of Jaguar Mining in November 2017 and is the Chairman of the Technical Committee of the Board. He is a mining engineer with a wide range of management and executive experience and over 40 years in the mining industry. Mr. Guenther held Senior Management Positions with AngloGold Ashanti in his past career including a long association with mining in Brazil. Mr. Guenther graduated from the Colorado School of Mines. The Company plans to start a search for the permanent position of the CEO.

"On behalf of the entire team, we would like to extend our thanks to Rodney for his commitment to Jaguar Mining over the past few years. We wish Rodney great success in his future endeavours" said Jaguar Mining Chairman Dick Falconer.

Qualified Persons

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").

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. The Roça Grande Mine has been on temporary care and maintenance since April 2018. Additional information is available on the Company's website at www.jaguarmining.com.

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 gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town Ouro Preto (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.

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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 and 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 involves 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.

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 below 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 June 30, 2018, is set out in the Company's second quarter 2018 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*

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recent reporting period, the quarter ended June 30, 2018, is set out in the Company's second quarter 2018 MD&A filed on SEDAR at www.sedar.com.

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