



NEWS RELEASE

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FOR IMMEDIATE RELEASE

TSX: JAG

Jaguar Mining Announces a USD\$25 Million Non-Brokered Equity Private Placement Offering

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TORONTO, June 18, 2019 - Jaguar Mining Inc. ("**Jaguar**" or the "**Company**") (TSX: JAG) today announced that it is proposing to complete a non-brokered private placement (the "**Offering**") pursuant to which it will seek to raise up to USD\$25 million in gross proceeds through the sale of the Company's common shares ("**Common Shares**"). The Common Shares will be offered at a price of CAD\$0.085 per share. The closing price of the Common Shares on the Toronto Stock Exchange on June 17, 2019 was CAD\$0.12.

The Company's two largest shareholders both intend to participate in the Offering.

- Eric Steven Sprott (21.7% shareholder): Mr. Sprott intends to subscribe for a minimum amount of USD\$15 million; and
- Tocqueville Asset Management LP (19.6% shareholder): Tocqueville intends to purchase 19.6% of the Offering (representing a minimum investment of USD\$4.896 million).

The minimum amount from these lead orders (the "**Lead Orders**") therefore represents USD\$19.896 million, representing 79.58% of the Offering.

Mr. Sprott currently holds 59,755,141 Common Shares directly and holds an additional 11,545,455 Common shares through 2176423 Ontario Ltd. (a personal investment holding corporation) for total holdings of 71,300,596 Common Shares.

"I am pleased to participate in the Offering", said Mr. Sprott, who also added: "The Offering represents an opportunity for Jaguar Mining to remedy its operating issues at its Turmalina Mine and as a result, improve its overall production profile, operating efficiency and cost structure."

Jaguar's Interim-CEO, Benjamin Guenther (P.Eng.), stated "The proceeds from the Offering will be utilized to make overdue changes to the Company and its otherwise rich and robust yet historically underperforming mineral properties. Completion of the Offering will result in an opportunity to increase developed reserves, improve and update the capital equipment and infrastructure, increase gold production, expand reserves, reduce expenses per ounce of gold produced, improve efficiencies and cash flow, and reduce the financial distress caused by debt."

Tocqueville Asset Management LP is a New York-based, SEC registered, investment adviser firm and investment fund manager that manages a number of investment funds, including the Tocqueville Gold Fund, which is a mutual fund. Tocqueville Asset Management LP does not itself own any securities of

Jaguar, but has authority to exercise control and direction over the assets of the Tocqueville Gold Fund. The Tocqueville Gold Fund currently holds 64,330,707 Common Shares.

Jaguar currently has 328,505,674 Common Shares that are issued and outstanding. Pursuant to the terms of the Offering, Jaguar will issue up to 394,117,647 additional Common Shares (which assumes a CAD/USD foreign exchange rate of 1.34), representing 119.97% of its currently issued and outstanding Common Shares. If the entire Offering amount of USD\$25 million is raised and Mr. Sprott purchases 236,470,588 Common Shares (representing USD\$15 million and 60% of the Offering) he would then have total holdings of 307,771,184 Common Shares, which will represent 42.6% of the Company's outstanding Common Shares on a post-closing basis. If the entire Offering amount of USD\$25 million is raised, then the Tocqueville Gold Fund will purchase 77,179,388 Common Shares (19.6% of the Offering) for total holdings of 141,510,095 Common Shares, which will represent 19.6% of the Company's outstanding Common Shares on a post-closing basis. Mr. Sprott's and the Tocqueville Gold Fund's participation in the Offering will not result in any collateral benefits for Mr. Sprott or the Tocqueville Gold Fund. Their subscriptions for Common Shares will be made upon the same terms as any other party that participates in the Offering.

"The completion of this Offering is expected to result in a significant change to Jaguar and its operations in Brazil. If the full amount of equity capital is raised, then this will allow the Company to invest in long overdue upgrades that are required and will result in the installation of new infrastructure, improved facilities and modern equipment at its mines and processing facilities. The Company would also be free from debt covenants and interest expenses at a time when ore processing and gold production are expected to be increasing. In addition, additional drilling efforts are expected to further improve mine planning and optimization while also expanding reserves and mine life" said Thomas S. Weng, Chairman of Jaguar.

The Offering will be conducted by way of prospectus exemptions in the provinces of Canada and other jurisdictions within and outside of Canada as determined by the Company in its sole discretion, where permitted by applicable law. No prospectus will be filed to qualify or register the Offering in any jurisdiction. The Offering will be made to "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*, or to other qualified persons in jurisdictions outside of Canada as determined by the Company.

Due to the size of the Offering, there is a sufficient number of Common Shares being offered by the Company that if the portion not allocated to Mr. Sprott and Tocqueville is subscribed for by one person, then a new insider (>10% holder) could be created. If such a situation occurs, then prior to the closing of any transaction that will create a new insider (>10% holder), the TSX requires that a Personal Information Form (PIF) or Declaration be filed by the subscriber and be reviewed by the TSX. Accordingly, the Company may limit any subscriber's subscription amount to an amount whereby the subscriber will only hold 9.9% or less of the Company's outstanding common shares on a post-closing basis if the acceptance of that subscriber's full subscription would be reasonably expected to result in a delay in the closing of the Offering caused by the requirement to submit a PIF or Declaration and have it be reviewed by the TSX. In the alternative, the Company may elect to close the Offering in two tranches whereby any subscription (or portion thereof) that is delayed by the submission and review of a PIF or Declaration will form part of the closing of a second tranche, if the TSX's approval is obtained.

Any qualifying shareholders or new investors who are interested in participating in the Offering are encouraged to contact the Company's Chief Financial Officer at hashim.ahmed@jaguarmining.com.

The Offering is expected to close on or about July 8, 2019, or such other date(s) as may be determined by the Company.

A finder's fee or commission will be paid to any finder or independent intermediary that: (i) identifies and solicits qualified investors that subscribe for the Offering; and (ii) is a registered dealer or advisor in accordance with applicable securities laws. For clarity, there will be no commission, referral or finder's fee payable in respect of subscribers that are identified and solicited by the Company or any of its affiliated entities. There will also be no commission, referral or finder's fee payable to a subscriber (or an affiliate thereof) in regard to the subscriber's own purchase of any Common Shares.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, and applicable state securities laws.

Financial Hardship Exemption:

Since the Offering is a private placement where insiders of the Company will be acquiring greater than 10% of the number of the Common Shares which are outstanding prior to the Offering and completion of the Offering may materially affect control of the Company, the TSX ordinarily requires that shareholder approval must be obtained (as per section 604(a) and 607(g)(ii) of the TSX Company Manual). In addition, since the Offering is a private placement for an aggregate number of listed securities issuable greater than 25% of the number of securities of the Company which are outstanding, on a non-diluted basis, prior to the date of the closing of the transaction and the price per security is less than the market price, then the TSX ordinarily requires that shareholder approval must be obtained (as per section 607(g)(i) of the TSX Company Manual).

However, the Company applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, to utilize the "financial hardship" exemption from the requirements to obtain shareholder approval, on the basis that the Company is in serious financial difficulty and the Offering is designed to improve the Company's financial situation. The application was made upon the recommendations of both the Finance & Corporate Development Committee and the Audit & Risk Committee of the Company's Board of Directors, whose members are free from any interest in the transactions and are unrelated to the parties involved in the transactions, and was based on their determination that the Offering is reasonable for the Company in the circumstances.

Following the TSX's review of the Company's application and the considerations described in TSX Staff Notice 2009-0003, the TSX provided its approval for the Company to issue this press release announcing the Offering. The Offering and the Company's use of the exemption remains subject to the outcome of the TSX's review. The completion of the Offering is subject to the TSX's conditional approval and its final acceptance.

In regard to the subscription agreements from the Lead Orders (and from any other related parties), the Offering is a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Offering will be exempt from the formal valuation requirement and minority shareholder approval requirement of MI 61-101 since the Company will rely upon the financial hardship exemptions that are found in section 5.5(g) and 5.7(e) of MI 61-101. As described in OSC Staff Notice 51-706, the TSX's financial hardship exemption and the considerations made by the Company and the TSX pursuant to the Company's application to utilize that exemption are similar to, and based on, the financial hardship exemption in MI 61-101. Approval by the TSX regarding the Company's use of the financial hardship exemption found in Section 604(e) of the TSX Company Manual is consistent with the Company's use of the financial hardship exemptions in MI 61-101.

The terms of the Offering were principally negotiated by the Company's Finance & Corporate Development Committee. All of the members of the Finance & Corporate Development Committee are independent within the meaning described in section 7.1 of MI 61-101. All of the members of the Finance & Corporate Development Committee are independent from the Lead Orders, will not be parties to the Offering and will not receive a collateral benefit or any payment or bonus compensation as a result of the completion of the Offering.

During the past year, the Finance & Corporate Development Committee reviewed and considered the Offering amongst a mix of other alternatives, including: debt financing; convertible debt financing; royalty financing; merger and acquisition possibilities; a rights offering; and maintaining the status quo. No alternatives, other than the Offering, were able to be developed to the point where they were both feasible and the terms would be acceptable to the Company (based upon the best interests of the Company and considerations made regarding the Company's stakeholders and a desire to maximize shareholder value). The Finance & Corporate Development Committee also worked with the Company's external financial and legal advisors regarding the alternatives that were pursued and reviewed. No fairness opinion was obtained in regard to the Offering. Since the Offering is expected to raise gross proceeds of at least USD\$19.896 million from the Lead Orders, the Company will be able to avoid a liquidity crisis and improve its operating and financial circumstances by: (i) repaying its USD\$7.85 million bridge-loan owing to Auramet International LLC (see the Company's press release dated March 15, 2019), which is due to be repaid on July 15, 2019; and (ii) making overdue investments in capital equipment and infrastructure at its Turmalina mine that are expected to allow the Company to increase ore processing and gold production, improve recovery rates, improve operating efficiencies and reduce costs per ounce produced, which will result in improved positive cash flows. If the Offering is able to raise gross proceeds of USD\$25 million, then these initial objectives are expected to be achieved and the additional funds will be used to achieve a stronger working capital position and to fund near-term investments in infill drilling (to increase gold reserves and improve detailed mine planning) and exploration drilling (to increase mineral resources and confirm the expected extensions to mine life). If the Offering is not successfully completed, then the Company is expected to have challenges continuing as a going concern (the amount of time will depend upon whether management can negotiate an extension to the term of the bridge-loan owing to Auramet International LLC and management's ability to generate sufficient cash flow from the current infrastructure and equipment). If no funds are raised pursuant to the Offering or any alternative transaction and if the term of the bridge-loan owing to Auramet International LLC is not extended, then the liquidity crisis will occur on July 15, 2019 when the bridge loan is due to be repaid. However, with the support of the Lead Orders, the Company is currently quite confident that the Offering will be successfully completed by early July 2019.

In regard to deciding to proceed with the Offering, no member of the Finance & Corporate Development Committee or the Company's Board of Directors had a materially contrary view or any material disagreement regarding the decision to proceed with the Offering. If the Offering was the subject of a shareholder vote, then the Company's Board of Directors would unanimously recommend that the shareholders vote to approve the Offering.

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

For further information, please contact:

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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 the Company's 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, fundraising, capital markets, 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, capital improvements, operating efficiencies, 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 raising of sufficient additional capital; the continued 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 or 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.