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NEWS RELEASE

**Jaguar Announces Third Quarter Financial Results; Reports Strong Operating Performance;
Decreased Cash Operating Costs to \$645/oz; Increased Operating Cash Flow to \$29.3 Million for First Nine Months of 2016**

Toronto, Canada, November 8, 2016 - Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) today announced details of the Company's financial and operating results for the three and nine months ended September 30, 2016 ("Q3 2016" and "YTD 2016"). Complete Financial Statements and Management Discussion and Analysis are available on SEDAR and on the Company's website at www.jaguarmining.com. All figures are in US dollars unless otherwise expressed.

Q3 2016 Highlights

- Strong third quarter production of 25,782 ounces, compared to 25,235 ounces for Q3 2015.
- Cash operating costs ("COC") of \$645 per ounce sold decreased 9% compared to \$711 for Q3 2015.
- All-in sustaining costs ("AISC") of \$1,011 per ounce sold increased 4% compared to \$970 for Q3 2015.
- Capital expenditures of \$7.5 million, up 73%, including a 51% increase in sustaining capital expenditures, compared to Q3 2015.
- 20% increase in revenue to \$33.6 million from 25,317 gold ounces sold at an average realized gold price of \$1,328 per ounce.
- Operating cash flow of \$9.4 million, representing a 155% increase compared to \$3.7 million for Q3 2015.
- Cash and cash equivalents of \$17.3 million as at September 30, 2016 after \$4.7 million invested in accelerated capital programs to advance development metres across operating mines, \$0.9 million in interest payments, and the impact of a strengthened Brazilian Real, compared to a cash balance of \$15.3 million as at December 31, 2015.
- Adjusted EBITDA (excluding non-cash items) for Q3 2016 was \$14.4 million compared to \$6.4 million for Q3 2015.

YTD 2016 Highlights

- Strong gold production of 71,202 ounces; on track to deliver on 2016 production guidance of 90,000 to 95,000 ounces.
- COC decreased 11% to \$713 per ounce sold compared to \$800 per ounce sold in YTD 2015.
- AISC of \$1,091 per ounce sold decreased 1% compared to \$1,100 for YTD 2015.
- 64% increase in operating cash flow to \$29.3 million compared to \$17.5 million for YTD 2015.
- Free cash flow of \$9.1 million, compared to no free cash flow for YTD 2015.
- Capital expenditures of \$22.0 million, includes \$19.2 million of increased sustaining capital expenditures. The Company continues to successfully advance primary development and exploration drilling across all three mines.
- Subsequent to quarter end, Jaguar also entered into an agreement (the "Agreement") with Sprott Private Resource Lending (Collector) LP ("Sprott Lending") for a secured \$10.0 million loan facility that will fund the Company's recently announced \$8.0 million accelerated growth exploration program across operating mines.
- As at the date of this news release, 100% of the principal amount of the \$21.5 million convertible debentures were converted into approximately 189 million common shares.

Rodney Lamond, President and Chief Executive Officer of Jaguar commented, "We are extremely pleased with our third quarter results which delivered strong operating performance, marked by increased gold production, accelerated development, increased revenues, and lower cash operating costs of \$645 per ounce sold. This performance resulted in quarterly operating cash flow of \$9.4 million bringing our year-to-date operating cash flow to \$29.3 million, 68% higher than the same period last year. As we continue to position our operating mines for future growth, third quarter AISC increased to \$1,011 per ounce sold, reflecting increased investment in capital expenditures for accelerated primary development. We also invested and advanced two key projects at Turmalina relating to the paste fill plant and the rebuild of Mill #3, both of which are expected to be commissioned before the end of the year.

"While we experienced an active third quarter, we maintained a solid cash position of \$17.3 million after capital investment programs and payments on debt facility and convertible debentures interest. In October, we announced the earn-in agreement with Avanco to divest of our non-core Gurupi development project and we also announced that the Company has commenced an expanded and accelerated growth exploration initiative focused on brownfield exploration targets located in and around existing mine infrastructure that have a strong potential to further grow sustainable production, lower unit costs, increase cash flows and extend mine life. We remain focused on our top priority of executing on our capital investment plans and delivering sustainable physical and financial results that drive the Companies growth strategy."

Consolidated 2016 Summary Results

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
Gold produced (ounces)	25,782	25,235	71,202	67,253
Gold sold (ounces)	25,317	25,160	72,167	68,572
Primary development (metres)	1,353	1,152	4,371	2,810
Secondary development (metres)	1,182	718	3,545	1,490
Definition, infill, and exploration drilling (metres)	6,749	9,096	28,126	29,480
Cash operating costs (per ounce sold) ¹	\$ 645	\$ 711	\$ 713	\$ 800
All-in sustaining costs (per ounce sold) ¹	1,011	970	1,091	1,100
Average realized gold price (per ounce) ¹	1,328	1,118	1,251	1,162
Cash generated from operating activities	9,353	3,670	29,314	17,485
Free cash flow ¹	2,972	(543)	9,055	(1,531)
Sustaining capital expenditures ¹	6,370	4,213	19,246	11,638
Non-sustaining capital expenditures ¹	1,152	139	2,781	1,291
Total capital expenditures	7,522	4,352	22,027	12,929

¹Average realized gold price, sustaining and non-sustaining capital expenditures, free cash flow, cash operating costs and all-in sustaining costs 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.

Consolidated 2016 Financial Highlights

(\$ thousands, except where indicated)	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 33,618	\$ 28,126	\$ 90,278	\$ 79,692
Operating costs	16,191	17,892	51,657	54,833
Depreciation	9,509	3,254	25,599	12,891
Gross margin	7,918	6,980	13,022	11,968
Gross margin (excluding depreciation) ¹	17,427	10,234	38,621	24,859
Loss on change in fair value of notes payable	31,672	-	77,616	(3)
Net (loss) income	(31,648)	4,445	(73,515)	(12,884)
Per share ("EPS")	(0.22)	0.04	(0.60)	(0.12)
EBITDA ¹	(17,802)	12,020	(41,710)	10,374
Adjusted EBITDA ^{1,2}	14,394	6,415	30,298	13,757
Adjusted EBITDA per share ¹	0.10	0.06	0.25	0.12

¹EBITDA and Adjusted EBITDA, Adjusted EBITDA per share, and gross margin (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.

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

Corporate Update Highlights

- On July 13, 2016, the Company announced multiple high-grade drill intercepts generated from 46 infill drill holes (7,310 metres ("m") from a 7,842 m drill program) designed to test the current indicated and inferred resource envelope of Orebody A at Turmalina.
- On September 26, 2016, the Company announced positive drill results generated from 40 underground diamond drill holes from a 5,369 m drill program designed to test the current resource envelope and to test the down-plunge extensions of the Pilar ore bodies.
- On October 4, 2016, the Company announced that it has 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. Proceeds from this transaction will be used to grow the Company's Mineral Reserves and Resources in the Iron Quadrangle area of Brazil.
- As at the date of this news release, 100% of the principal amount of the \$21.5 million convertible debentures have been converted into common shares of the Company. The Company has significantly strengthened its balance sheet and increased its market capitalization with the conversion of the senior secured convertible debentures and added savings of \$0.6 million per quarter in interest payments.
- On October 27, 2016, the Company announced the commencement of an \$8 million major growth capital investment program which will focus on prioritizing targets that increase the Mineral Reserve base around the operating assets and build confidence in mine plans in the near to medium term, and the potential discovery of new resources near existing infrastructure at its operating mines.

- On November 7, 2016, the Company entered into an Agreement (the "Agreement") with Sprott Private Resource Lending (Collector) LP ("Sprott Lending"), that 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 19% of the common shares of the Company as at the date of this news release. The Agreement is a secured loan facility (the "Facility") totaling \$10.0 million to fund accelerated growth exploration initiatives. The Facility is expected to be received on November 8, 2016 and is for a term of 30 months with an interest rate of 6.5% per annum, plus the greater of US dollar LIBOR and 1.25% per annum. In consideration for the structuring and syndication of the Facility, 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 the Company to Sprott Lending and to Natural Resource Income Investing Limited Partnership. The Toronto Stock Exchange has provided conditional approval of the relevant terms of this transaction. The Agreement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Because the value of the Facility and the consideration for the transaction is less than 25% of Jaguar's market capitalization, the Company is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101. A material change report in respect of the Facility will be filed less than 21 days before the closing of the transaction which Jaguar considers to be reasonable and necessary given the time required to settle the terms of the Agreement and to conclude other definitive documentation in respect of the Facility.

2016 Guidance

The following is the Company's 2016 production and cost guidance compared to year-to-date results:

2016 Production & Cost Guidance	Turmalina		Caeté Complex		Consolidated		
	Low	High	Low	High	Low	High	YTD Actual
Operations							
Gold production (ounces)	62,000	65,000	28,000	30,000	90,000	95,000	71,202
Cash operating costs (per ounce sold) ¹	\$600	\$650	\$925	\$975	\$700	\$750	\$713
All-in sustaining costs (per ounce sold) ¹	\$850	\$900	\$1,150	\$1,200	\$950	\$1,000	\$1,091
Recovery (%)	90%	90%	90%	90%	90%	90%	90%
Development							
Primary (m)	3,000	3,300	1,700	1,900	4,700	5,200	4,371
Secondary (m)	3,200	3,400	2,500	2,700	5,700	6,100	3,545
Definition, infill, and exploration drilling (m)	18,000	20,000	10,000	12,000	28,000	32,000	28,126

1. Cash operating costs and All-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to Non-IFRS Financial Performance Measures below. 2016 cost guidance has been prepared on the basis of a foreign exchange rate of 3.8 Brazilian Reals vs. the US dollar and a gold price of US\$1,150 per ounce.

Operational Summary

Tumalina Gold Mine

During the third quarter of 2016, Turmalina produced 16,304 ounces of gold compared to 13,994 ounces in the corresponding 2015 period, an increase of 17% or 2,310 ounces. The increase in ounces produced was a result of a 27% increase in the tonnes processed from 101,000 in Q3 2015 to 128,000 in Q3 2016, offset by a 9% decrease in the average head grade from 4.77 g/t in Q3 2015 to 4.36 g/t in Q3 2016.

The cash operating costs per ounce sold for the third quarter of 2016 decreased by 10%, or \$59 per ounce, as compared to the same period in 2015, due to the impact of a 27% increase in tonnes of ore processed, an increase in recovery, and certain cost control measures in operations, which were partially offset by the strengthening of the Brazilian Real and an increase in the cost of materials due to inflation. The cash operating costs per ounce sold for Q3 2016 decreased by 10%, or \$58 per ounce, as compared to Q2 2016, due to the impact of a 6% increase in average head grade, a 3% increase in tonnes processed, and an increase in recovery.

Primary development at the Turmalina mine totaled 605 and 2,502 metres for the three and nine months ended September 30, 2016, respectively, compared to 1,061 and 2,604 metres in the comparative 2015 periods. In July 2016, the Company demobilized the development contractor at Turmalina, thereby bringing 100% of the development activities in-house. On a per metre basis, the cost of primary development for the first nine months of 2016 remained consistent with the first nine months of 2015.

Caeté Complex (Pilar and Roça Grande (RG) Gold Mines)

The Caeté Gold Mining Complex has two underground mines, Pilar and RG. The Pilar mine provides 1,000 tonnes per day, or two-thirds of the Caeté complex ore, while the RG mine provides 500 tonnes per day from the underground RG-1 deposit.

During Q3 2016, the Caeté plant achieved gold recovery of 90.6% utilizing gravity, flotation, and CIL treatment of flotation concentrate. Optimization of the plant offers opportunities for both increased gold extraction and reduced unit processing costs. Various options are being explored and evaluated to better use the currently underutilized processing facility.

Pilar Gold Mine

During the third quarter of 2016, Pilar produced 7,923 ounces of gold compared to 8,340 ounces in Q3 2015, a decrease of 5% due to the 5% decrease in average head grade. Production increased 2% from Q2 2016 to Q3 2016 as a net result of an 8% increase in tonnes processed, an increase in recovery, and a 3% decline in average head grade. During Q3 2016, the Caeté plant processed 78,000 tonnes from Pilar at an average grade of 3.51 g/t compared to 78,000 tonnes at 3.70 g/t in Q3 2015. Recovery for the quarter was 90.6%, which was higher than the Q3 2015 recovery of 89.5%.

The cash operating costs per ounce sold for the third quarter of 2016 increased by 4%, or \$27 per ounce, as compared to Q3 2015 due to the increased costs associated with the restart of secondary development during 2016, and decreased by 20%, or \$196 per ounce, as compared to Q2 2016 due to the impact of a decrease in the costs from the allocation of a greater amount of the mine-site fixed overheads to capital expenditures due to a 24% increase in primary development from Q2 2016 to Q3 2016.

Primary development at Pilar was suspended during Q4 2014 and was restarted in Q1 2016 due to the success of the exploration drilling program initiated in 2015. Primary development totaled 741 and 1,654 metres in the three and nine months ended September 30, 2016 compared to 91 and 150 metres in the comparative 2015 periods.

Roça Grande Mine

During the third quarter of 2016, RG produced 1,556 ounces of gold compared to 2,901 ounces in the corresponding 2015 period, a decrease of 46% or 1,345 ounces. Operational delays have occurred in 2016 due to the shortage of developed stopes as the primary focus has been on infill drilling and development in an effort to extend mine life. During Q3 2016, the Caeté plant processed 25,000 tonnes from RG at an average grade of 2.12 g/t compared to 44,000 tonnes at 2.26 g/t in Q3 2015. Recovery for the quarter was 90.6%, which was higher than the Q3 2015 recovery of 89.5%.

The cash operating costs per ounce sold for the third quarter of 2016 increased 5% compared to Q3 2015 due to the increased costs associated with the restart of secondary development during 2016, and decreased 21% compared to Q2 2016 due to lower maintenance expenditures.

Outlook & Growth

The Company continues to be focused on safely delivering positive and sustainable physical performance, profitability, and cost optimization. The Company has established the following strategic initiatives that are expected to create significant shareholder value:

- **Safe and Sustainable Physical Results:** Safely delivering on the near-term mine plans to drive positive physical results and ensure a sustainable production performance.
- **Cost Reduction and Optimization:** Developing a value-driven culture that will identify and eliminate waste, lower costs, and improve productivities with the end goal of creating and delivering results. Cost control measures will be reviewed and implemented across the operations to centralize and streamline various functions company-wide.
- **Generating Positive Cash Flow:** Operations are focused on generating cash flow, after sustaining capital, with mine plans focused on achieving the right amount of tonnes, at the right grade and with exploration programs that ensure sustainability. Management is focused on expanding operational excellence programs and developing a value-driven culture to increase operating cash flow.
- **Strategic Investment:** Investment in exploration and development will be prioritized to targets that increase the mineral reserve base around the operating assets and build confidence in our mine plans in the near to medium term. Expanding brownfield exploration programs to grow organically and take advantage of the underutilized processing capacity currently installed.
- **Continued Divestiture of Non-Core Assets:** Reviewing opportunities to divest non-core assets and land positions across all sites to minimize carrying costs of these assets.

Qualified Person

Scientific and technical information contained in this press release has been reviewed and verified by Marcos Dias Alvim, BSc Geo., MAusIMM (CP), Project Development Manager, who is an employee of Jaguar Mining Inc., and is a “qualified person” as such term is defined by National Instrument 43-101 (“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 191,000 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 (“Mineração Turmalina Ltda” or “MTL”) and Caeté Gold Mine Complex (“Mineração Serras do Oeste Ltda” or “MSOL”) which combined produce more than 90,000 ounces of gold annually. The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. Additional information is available on the Company’s website at www.jaguarmining.com.

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Forward Looking Statements

Certain statements in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking 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. This news release contains forward-looking information regarding expected production, grades, tonnes milled, recovery rates, cash operating costs, and definition/delineation drilling, in addition to overall expenditures and results of operations during 2016. 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; and general business and economic conditions. Forward-looking information involve a number of known and unknown risks and uncertainties, including among others the risk of Jaguar not meeting the forecast plans regarding its operations and financial performance, the uncertainties with respect to the price of gold, labor disruptions, mechanical failures, increase in costs, environmental compliance and change in environmental legislation and regulation, procurement and delivery of parts and supplies to the operations, uncertainties inherent to capital markets in general 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. 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 above stated footnotes where the Company expanded on its use of non-IFRS measures.

1. Cash operating costs and cash operating cost per ounce are non-IFRS measures. In the gold mining industry, cash operating costs and cash operating costs per ounce are common performance measures but do not have any standardized meaning. Cash operating costs are derived from amounts included in the Consolidated Statements of Comprehensive Income (Loss) and include mine-site operating costs such as mining, processing and administration as well as royalty expenses, but exclude depreciation, depletion, share-based payment expenses, and reclamation costs. Cash operating costs per ounce are based on ounces produced and are calculated by dividing cash operating costs by commercial gold ounces produced; US\$ cash operating costs per ounce produced are derived from the cash operating costs per ounce produced translated using the average Brazilian Central Bank R\$/US\$ exchange rate. The Company discloses cash operating costs and cash operating costs per ounce as it believes those measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with IFRS is total production costs. A reconciliation of cash operating costs per ounce to total production costs for the most recent reporting period, the quarter ended September 30, 2016 is set out in the Company's third quarter 2016 MD&A filed on SEDAR at www.sedar.com.
2. All-in sustaining cost is a non-IFRS measure. This measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, except for non-cash items the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of production costs, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, and in-mine exploration expenses. All-in sustaining cost excludes growth capital, reclamation cost accretion related to current operations, interest and other financing costs, and taxes. A reconciliation of all-in sustaining cost to total production costs for the most recent reporting period, the quarter ended September 30, 2016 is set out in the Company's third quarter 2016 MD&A filed on SEDAR at www.sedar.com.