



NEWS RELEASE

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FOR IMMEDIATE RELEASE

TSX:JAG
OTCQX:JAGGF

Jaguar Mining Reports Financial Results for the Second Quarter 2021 Announces Quarterly Dividend of C\$0.04 per share

Toronto, August 10, 2021 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG, OTCQX:JAGGF) today announced financial results for the second quarter ("Q2 2021") ended June 30, 2021. All figures are in US Dollars, unless otherwise expressed.

Q2 2021 Financial Highlights

- Revenue for Q2 2021 decreased 15% to \$36.3 million, compared with \$42.5 million in Q2 2020, mainly due to a reduction in gold sales by 19% to the comparison period, this was partially offset by 5% increase in the average realized gold price of \$1,795/oz. in Q2 2021 as compared to \$1,703/oz. for Q2 2020.
- Operating production costs of \$17.4 million in Q2 2021 compared to \$14.6M in Q2 2020. The increase in operating production cost is due to inflation and operational adjustments for the pandemic. The adjustments were based on the COVID-19 protocols put in place for the pandemic, as well as efforts to increase capacity as the mines worked to ramp production up to sustainable levels. Jaguar expects that easing of protocols in the second half of the year will allow operations to return to normal operating conditions.
- Cash operating costs increased 46% to \$858 per ounce sold with the reduced ounces and increased costs, while All-in Sustaining Costs increased to \$1,281 per ounce per ounce of sold for Q2 2021, compared to \$586 and \$882 respectively per ounce of gold sold for the same period in 2020. During the first half of the year 2021, the Company has seen significant inflation in labour costs, mining materials, plant consumables, diesel fuel, and explosives. These items have seen an increase on average of around 20% as compared to the same period last year. The Company believes that some of these increases will remain in place for the balance of the year.
- Net income for Q2 2021 decreased to \$2.9 million, compared with \$19.2 million in Q2 2020. Major differences were a \$6.2 million decline in revenue, \$1.6 million increase in depreciation expense, \$1.2 million increase in exploration expenditures, and a foreign exchange loss of \$3.3 million. The average exchange rate during Q2 2021 was R\$5.29 per US dollar compared to R\$5.39 per US dollar in Q2 2020.
- Free cash flow was \$5.8 million for Q2 2021 based on operating cash flow minus capital expenditures, compared to \$21.4 million in Q2 2020. Free cash flow was \$285 per ounce sold in Q2 2021 compared to \$858 per ounce sold in Q2 2020.

Q2 2021 Quarterly Dividend

- The Company is also pleased to announce that its Board of Directors has declared a cash dividend of C\$0.04 per common share of the Company, to be paid on August 30, 2021, to shareholders of record as of the close of business on August 23, 2021. The dividend qualifies as an eligible dividend for Canadian income tax purposes.

- The Board of Directors intends to review, among other things, the Company's budget, cash flow forecast and existing market conditions on a quarterly basis in order to determine whether any additional dividends will be declared on Shares for subsequent quarters.
- Given the impact on the business due to Covid-19, the board has determined that a reduction in the dividend in favor of additional investment in our primary development and growth and exploration pipeline is the most optimal use of Jaguar's cashflow.

Cash Position and Working Capital

- As of June 30, 2021, a cash balance of \$34.4 million compared to \$37.8 million on March 31, 2021.
- As of June 30, 2021, working capital was \$29.9 million, compared to \$29 million on December 31, 2020, which includes \$3 million in short term loans from Brazilian banks.

Vern Baker, President and CEO of Jaguar Mining stated: Jaguar began moving back toward our sustainable production levels in the second half of Q2 2021. Production of over 20,000 ounces was the first step in bringing ounce production back to sustainable levels. Within the limitations of the first half of the year the company managed to expand the exploration program and increase capital expenditures on growth projects. Jaguar sees significant potential for growth and will increase expenditures on exploration and growth in the second half of the year.”

Vern added, Similarly to Brazil, Jaguar was impacted by Covid-19 in Q1 2021 and Q2 2021. Jaguar has seen the impacts of the pandemic reducing in the second half of Q2 2021 and expects operations to return to normal in the next few months. Jaguar is working to ensure our work force receives the Covid-19 vaccination and expects our workforce to be near full vaccination levels later this year. One of the impacts from the pandemic appears to be inflation. Our operations are seeing that our main inputs of steel, chemicals, and diesel are all experiencing significant upward price pressure. Jaguar has committed to several focused projects to minimize the effect of inflation on our costs. Efforts to reduce consumption, push back price hikes, and improve productivity should begin to impact costs in the next several quarters.

The challenges at this point for Jaguar are to bring ounce production levels up to target, keep costs down, and to begin capitalizing on the exploration results we are seeing. The Jaguar team is focused on accomplishing these challenges over the next two quarters.”

Q2 2021 Financial Results Summary

(\$ thousands, except where indicated)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Financial Data				
Revenue	\$ 36,330	\$ 42,536	\$ 68,015	73,337
Operating costs	17,365	14,638	32,126	28,935
Depreciation	5,636	4,023	10,396	7,648
Gross profit	13,329	23,875	25,493	36,754
Net income (loss)	2,980	19,178	9,088	31,453
Per share ("EPS") ¹	0.04	0.03	0.13	0.04
EBITDA ²	11,468	27,176	24,544	45,574
Adjusted EBITDA ^{2,3}	15,089	27,223	27,040	41,264
Adjusted EBITDA per share ^{1,2}	0.21	0.04	0.37	0.06
Cash operating costs (per ounce sold) ²	858	586	847	634
All-in sustaining costs (per ounce sold) ²	1,281	882	1,288	982
Average realized gold price (per ounce) ²	1,795	1,703	1,794	1,608
Cash generated from operating activities	12,634	27,505	19,100	36,139
Free cash flow ²	5,761	21,433	5,956	23,516
Free cash flow (per ounce sold) ²	285	858	157	516
Sustaining capital expenditures ²	6,873	6,072	13,144	12,623
Non-sustaining capital expenditures ²	3,654	710	6,461	1,567
Total capital expenditures	10,527	6,782	19,605	14,190

¹ On August 27, 2020, the Company completed a share consolidation of its outstanding common shares on the basis of one (1) post-consolidation share for every ten (10) pre-consolidation shares.

² 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, and adjusted EBITDA per share 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.

³ 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.

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Operating Data				
Gold produced (ounces)	20,212	23,483	38,372	44,491
Gold sold (ounces)	20,235	24,970	37,912	45,610
Primary development (metres)	1,112	1,707	1,990	3,146
Secondary development (metres)	1,166	738	2,304	1,340
Definition, infill, and exploration drilling (metres)	22,298	14,278	41,492	28,822

Qualified Person

Scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), FAUSIMM, Vice President Geology and Exploration, 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").

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.

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. 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 2019. Additional information is available on the Company's website at www.jaguarmining.com.

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Forward-Looking Statements

Certain statements in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements and information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking information made in this news release is qualified by the cautionary statements below and those made in our other filings with the securities regulators in Canada. Forward-looking information contained in forward-looking statements can be identified by the use of words such as "are expected," "is forecast," "is targeted," "approximately," "plans," "anticipates," "projects," "anticipates," "continue," "estimate," "believe" or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, may be considered to be or include forward-looking information. This news release contains forward-looking information regarding, among other things, expected sales, production statistics, ore grades, tonnes milled, recovery rates, cash operating costs, definition/delineation drilling, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations, continuous improvement initiatives, and resolution of pending litigation. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the estimated timeline for the development of its mineral properties; the supply and demand for, and the level and volatility of the price of, gold; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; the receipt of necessary permits; market competition; ongoing relations with employees and impacted communities; political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any potential power rationing, tailings facility regulation, exploration and mine operating licenses and permits being obtained 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 expands 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, 2021, is set out in the Company's second quarter 2020 Management Discussion and Analysis (MD&A) filed on SEDAR at www.sedar.com.*
2. *All-in sustaining cost is a non-IFRS measure. This measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, except for non-cash items the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of production costs, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, and in-mine exploration expenses. All-in sustaining cost excludes growth capital, reclamation cost accretion related to current operations, interest and other financing costs, and taxes. A reconciliation of all-in sustaining cost to total production costs for the most recent reporting period, the quarter ended June 30, 2021, is set out in the Company's second quarter 2021 MD&A filed on SEDAR at www.sedar.com.*