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FOR IMMEDIATE RELEASE

TSX:JAG

Jaguar Signs Accelerated Earn-In Agreement to Divest Gurupi Project; Plans to Repay Higher-Cost Brazilian Debt Facility and Improve Working Capital

Toronto, Canada, September 18, 2017 — Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG) is pleased to announce that it has entered into an accelerated earn-in agreement (the "Agreement") with Avanco Resources Limited ("Avanco") (ASX:AVB), pursuant to which Avanco will earn up to a 100% ownership interest in the Gurupi Project ("Gurupi" or the "Project") after meeting some short-term milestones and making a series of payments to Jaguar. The Project is located in the state of Maranhão, Brazil, and includes the Cipoeiro and Chega Tudo deposits found in a mainly unexplored 72-kilometre trend. Jaguar, through a wholly-owned subsidiary, holds mineral concessions totaling 140,332 hectares. The last feasibility study on the Project was prepared on January 31, 2011, by TechnoMine Services LLC, which is filed under the Company's profile on SEDAR (www.sedar.com).

Main Terms of the Accelerated Earn-in Agreement

Upon the satisfactory completion of certain closing conditions, the Agreement provides Avanco with the right to earn 100% of Jaguar's interest in the Project by paying to Jaguar an aggregate cash payment of US\$4 million in two instalments of US\$2 million each. Upon achieving clear title and access to the Project, Jaguar will receive in aggregate an additional US\$5 million of cash payments, received in a series of 10 instalments of US\$500,000 per month. The majority of the Avanco US\$9 million in payments are expected to be paid to Jaguar in 2017 and 2018 fiscal years.

Within 24 months of the initial US\$4 million payment, Avanco will arrange to have published an Australian Joint Ore Reserve Committee (JORC) code compliant technical report completed 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 US\$250,000 per six months of delayed period. Within 60 months of the initial US\$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 US\$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.

The Agreement will provide Avanco with control over the Project earlier than planned in the previous earn-in agreement, empowering Avanco to move the asset into production in a timely and expedited manner. Cash proceeds received by Jaguar from this accelerated Agreement will be used to repay the Company's higher-cost Brazilian debt facility, improve working capital, and reduce its financing repayment obligations in 2017 and 2018.

Rodney Lamond, President and Chief Executive Officer of Jaguar commented, "We are pleased to announce an accelerated earn-in agreement with Avanco that should result in the development and commissioning of a mine at the Gurupi Project earlier than anticipated. This Agreement provides Jaguar with accelerated cash payments while retaining the significant exploration upside potential this property possesses through the life of mine NSR Royalty. The cash proceeds from Avanco will be applied immediately towards reducing the Company's higher-cost Brazilian debt facility, improving working capital, and strengthening our balance sheet. We are pleased with the recent improvements in the Company's mine operations which continue to generate operating cash flow. Today's announcement provides additional confidence that the Company is expected to maintain a positive working capital position going forward."

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 exploration potential from mineral claims covering an area of approximately 192,000 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 Gold Mine Complex, which combined produce approximately 95,000 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.

About Avanco Resources Ltd.

Avanco is a Brazilian focused mining exploration and development company, targeting exploration and near-term production from copper and gold projects. Avanco's Board of Directors and Management team have extensive global resource industry experience, particularly in Northern Brazil where they have recently commissioned the Antas copper-gold mine on-schedule and under budget. Avanco has offices in Perth, Australia; Rio de Janeiro, Brazil; and Parauapebas, Brazil.

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Forward-Looking Statements

Certain statements in this press 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 press release contains forward-looking information regarding (1) the expectations regarding whether a transaction will be consummated, including whether conditions to the consummation of the transactions will be satisfied, or the timing for completing the transaction, (2) expectations for the effects of the transaction or the ability of the Company to successfully achieve business objectives, including the effects of unexpected costs, liabilities or delays, and if the transaction is completed, the ability of the Company to allocate the net proceeds as stated above, and (3) expectations for other economic, business, and/or competitive factors. Forward-looking information involves a number of known and unknown risks and uncertainties, which, if incorrect, may cause actual results to differ materially from those anticipated by the Company, including, without limitation, the risks that the transaction as described in the Agreement may not be completed and the parties may be unable to realize on the anticipated benefits of the transaction. 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 press 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 press 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 press release is expressly qualified by this cautionary statement.