NEWS RELEASE

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FOR IMMEDIATE RELEASE **TSX:JAG**

Jaguar Mining Reports Operating Performance and Lower Cash Costs for Q2 2017; Revises Full Year Gold Production to 95,000 – 105,000 Ounces

Toronto, Canada, July 18, 2017 - Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG) today announced second quarter 2017 ("Q2 2017") preliminary operational results for its core assets located in the Iron Quadrangle area of Minas Gerais, Brazil. All figures are in US dollars unless otherwise expressed. Full financial results are expected to be released after August 9, 2017.

Second Quarter 2017 Highlights

- Consolidated operating performance in Q2 2017, including significant progress made at Turmalina, resulted in total H1 2017 consolidated gold production of 42,061 ounces. Q2 2017 consolidated gold production totaled 19,749 ounces, grade was 3.18 g/t, and recovery was 91%.
- The Company is committed to achieving strong gold production in 2017, and has revised its production guidance to 95,000 - 105,000 ounces compared to the previously announced range of 100,000 - 110,000 ounces reflecting the challenging first half of the year. Management is confident that the improving trend achieved over the course of the second quarter will be sustained, and that production is expected to be at the high end of the range, exceeding the 2016 level. Improved operating performance across all sites is expected to increase production in H2 2017, resulting in continued improvement in cash costs. In particular, production from Turmalina is expected to return to normal production levels as operational challenges previously encountered, are no longer affecting production cycles.
- Consolidated cash costs improved throughout Q2 2017, including June 2017 cash costs of approximately $797 per ounce sold. Preliminary cash costs for Q2 2017 were $857 per ounce sold compared to Q1 2017 cash costs of $924 and $758 per ounce sold for Q2 2016. Continued Company-wide cost reduction programs and a focus on profitable ounce production and waste reduction resulted in lower unitary costs.
- Preliminary cash balance of approximately $20.6 million as of June 30, 2017, compared to a cash balance of $18.2 million at March 31, 2017. The cash position includes a secured facility for $5.0 million from Sprott Private Resource Lending (Collector) LP, and a non-brokered private placement for gross proceeds of approximately $5.9 million, which closed on June 15.
- Growth exploration programs continued to advance during the quarter with the development of exploration drives for deep drilling being completed at Pilar and Turmalina. At Pilar, drilling is targeting Levels 11-16 up to 350 m below current development and 250 vertical m below the current Inferred Resources. At Turmalina, drilling is targeting Levels 12-16 up to 420 m below current development and 300 vertical m below the current Inferred Resources. Drill results are expected to add to the current Mineral Reserves and Mineral Resources.

Rodney Lamond, President and Chief Executive Officer of Jaguar commented*, "Consolidated operating performance during the second quarter, included a steady improvement from Turmalina, which contributed to first half 2017 production of 42,061 ounces, and now positions the Company to deliver on its revised 2017 production guidance of 95,000 – 105,000 ounces of gold. Turmalina improved during the quarter and ended Q2 2017 with significantly stronger production in June compared to April following the decision to leave Level 9 and commence development and mining of Level 10 in Orebody A. As expected, the mining of Level 10 performed very well and the isolated ground control issues encountered in an area of Level 9 have been negated. Additionally, in early June, Turmalina physical results included an increase in grade as the mining of higher-grade stopes in Level 10 continued."*

"Lower cash costs are a direct result of Company-wide cost reduction programs and a focus on profitable ounce production and waste reduction at the mine level. For the month of June, unit costs were approximately $797 per ounce sold. Lower cash costs for the second quarter is a notable improvement as the decrease in cash costs was achieved despite lower than forecast ounces sold."

"Moving forward into the second half of 2017, we are committed to further performance improvements and cost reductions. We will continue the development of Level 10 and mine the higher-grade ore shoots in Orebody C at Turmalina. At Pilar, we expect to benefit from the past year of development and the mining of the higher-grade BF and BFII Orebodies. Our Growth Exploration Programs continue to advance at both Pilar and Turmalina and we expect to deliver the drilling results of these programs over the second half of the year."

Quarterly Operating Summary

Operating Summary	Q2 2017				Q2 2016				Q1 2017			
	Turmalina	Pilar	Roça Grande	Total	Turmalina	Pilar	Roça Grande	Total	Turmalina	Pilar	Roça Grande	Total
Tonnes milled (t)	112,000	85,000	19,000	**216,000**	124,000	72,000	21,000	**217,000**	113,000	84,000	17,000	**214,000**
Average head grade (g/t)	3.37	3.16	2.15	**3.18**	4.10	3.62	2.18	**3.76**	3.79	3.39	2.12	**3.50**
Recovery %	91	90	90	**91**	91	91	91	**91**	91	91	91	**91**
Gold ounces												
Produced (oz)	10,870	7,702	1,197	**19,769**	15,083	7,804	1,335	**24,222**	12,736	8,485	1,071	**22,292**
Sold (oz)	10,815	6,625	1,013	**18,453**	15,035	7,622	1,313	**23,970**	13,536	9,422	1,076	**24,035**
Financial data												
Cash operating costs (per oz sold) **	$696	$1,039	$1,374	**$857**	$586	$958	$1,578	**$758**	$738	$1,092	$1,787	**$924**
Average realized gold price ($/oz)				**$1,269**				**$1,251**				**$1,215**
Development												
Primary (m)	519	218	102	**839**	1,166	600	91	**1,857**	366	470	74	**910**
Exploration (m)	56	-	-	**56**	-	44	-	**44**	104	13	34	**151**
Secondary (m)	292	577	120	**989**	693	267	357	**1,317**	754	614	14	**1,382**
Diamond drilling (m)	4,676	6,206	186	**11,068**	5,251	3,231	1,004	**9,486**	6,080	5,218	567	**11,864**

***Q2 2017 Financial data is preliminary*

- Q2 2017 consolidated gold production totaled 19,749 ounces, grade was 3.18 g/t Au and recovery was 91%.
- Turmalina Gold Mine produced 11,081 ounces of gold, lower than Q2 2016 and Q1 2017 production levels, however production at Turmalina demonstrated steady improvement during the quarter.
- Turmalina continues to develop and is now mining in Block 10 of Orebody A after Block 9 was temporarily interrupted due to ground rehabilitation issues during Q1 2017. Block 10 has performed in line with expectations and mining is expected to ramp back up to normal levels during the second half of 2017 as development and mining return to a more normal cycle. Turmalina is reviewing methods for stabilizing the isolated areas of Block 9 and returning to finish mining later this year.
- Pilar Gold Mine production of 7,702 ounces in Q2 2017 declined compared to strong Q1 2017 results, however, production improvements in the later part of the quarter started to reflect the advancing ore development into the higher-grade Orebodies BF and BFII.
- Roça Grande Mine produced 1,197 ounces of gold a slight decrease from Q2 2016, and a slight improvement compared to Q1 2017. Grades of 2.15 g/t and recoveries remained steady at 90%.

Consolidated Monthly Cost Per Ounce Sold

	Monthly Q1 2017			Monthly Q2 2017			Quarterly		
	January	February	March	April	May	June	Q2 2017	Q2 2016	Q1 2017
Cash operating costs (per ounce sold)	$891	$937	$945	$1,017	$823	$797	**$857**	**$758**	**$924**

- The Company has made significant progress with its cost reduction and operational excellence programs headed by the consulting group Aquila Institute.
- Throughout H1 2017, Aquila worked with all sites to set up operational excellence teams responsible for reviewing business processes to identify efficiency and productivity opportunities as well as direct cost reduction opportunities.
- Several process improvements have been implemented including equipment utilization, availability, and shut down for off working hours. Other initiatives include working with the sites to improve tire life on underground equipment.

- The Company also implemented direct cost reductions at the mines to improve overall costs. These initiatives include renegotiating and rationalizing contracts, and the purchase of new equipment to retire older equipment with higher operating costs.
- On June 1, 2017 the Roça Grande mine changed from four crews working three shifts per day, seven days per week to two crews working two shifts per day, five days per week. The reduced crews are expected to achieve a similar level of production at a lower cost per tonne produced.

2017 Guidance
The Company is committed to achieving strong production in 2017, above 2016 production levels. 2017 production guidance has been revised to 95,000 – 105,000 ounces compared to 100,000 – 110,000 ounces previously announced.

2017 Guidance	Turmalina Complex		Caeté Complex		Consolidated	
	Low	High	Low	High	Low	High
Gold production (ounces)	60,000	65,000	40,000	45,000	95,000	105,000

Preliminary Cash Balance
Preliminary cash balance of approximately $20.6 million as at June 30, 2017, compared to a cash balance of $18.2 million at March 31, 2017. Q2 2017 cash balance continues to reflect the impact of a stronger foreign Brazilian currency, accelerated exploration, and approximately $2.0 million in principal and interest repayments towards debt facilities. On June 9, 2017, the Company closed a secured loan facility with Sprott Private Resource Lending (Collector) LP for $5.0 million. On June 15, 2017, the Company closed a non-brokered private placement for gross proceeds of approximately $5.9 million. Net proceeds from the loan facility and private placement will be used for continuing capital investment programs and working capital needs.

2017 Growth Exploration and Mineral Resources Highlights

- An incremental $8.0 million is expected to be spent on a major growth exploration program in 2017 and 2018. Approximately $6.0 million has been dedicated to core assets to test the down-plunge continuities of Orebodies A, B, and C at Turmalina and Orebodies BFII and BF at Pilar to increase identified Mineral Resources (see news release dated June 21, 2017), including the potential discovery of new resources at the high priority targets such as Pacheca and Cubas near Pilar. The remaining $2.0 million will be distributed towards other growth targets in and around the existing core assets.
- Jaguar provided an update on its Exploration Growth Program and announced the acquisition of a new strategic land position (see news release dated June 21, 2017) located 4.5 km west of the Caeté Mill, increasing the total registered RG Mine concession by 1,000 hectares. The Company believes that the expanded land position, adds significant value to the overall RG concession area as it is strategically located just west of the RG Mine, and contains 7.5 km of contiguous Banded Iron Formation ("BIF") as well as a large number of historic Portuguese workings from the late 17th and 18th centuries.
  - At Pilar, the deep horizon exploration drive in the hanging wall of the mine at Level 7-4 is now complete, with three contract diamond drills currently in operation. The drilling program is designed to extend resources targeting Levels 11-16 up to 350 m below current development and 250 vertical m below the current Inferred Resources. The program will test the down-plunge extension and continuity of Orebodies BFII, BF, and BA. Drilling results for this program will be announced in the second half of 2017. It is expected that the drilling results will add to the Mineral Reserves and Mineral Resources of Pilar, which are expected to be updated in early Q1 2018.
  - At Turmalina, the deep horizon exploration platform on Level 10-1 is now complete. Diamond drilling from the platform is intended to reach Levels 12-16, up to 420 vertical m below the current development and 300 m below the current Inferred Resources. Currently one contracted underground exploration drill has been set up and up to three additional contracted underground exploration drills will be moved from Pilar to Turmalina to complete deep drilling once the exploration program is completed at Pilar.

Qualified Person
Scientific and technical information contained in this press release has been reviewed and approved by Geraldo Guimarães Vieira dos Santos, BSc Geo., MAIG-3946 (CP), Geology Manager, who is 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 black 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 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 (Pilar and Roça Grande mines, and Caeté Plant) which combined, produce more than 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.

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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 are 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 an 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 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; uncertainties with respect to the price of gold, labor 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, 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 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 sold and are calculated by dividing cash operating costs by commercial gold ounces sold. 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, 2017 is set out in the Company's second quarter 2017 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, 2017 is set out in the Company's second quarter 2017 MD&A filed on SEDAR at www.sedar.com.*