



NEWS RELEASE

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Jaguar Mining Announces Q2 2017 Financial Results, Comments on Progress at Turmalina

Toronto, Canada, August 10, 2017 - Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG) today announced details of the Company's financial and operating results for the second quarter ended June 30, 2017 ("Q2 2017"). 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.

Update on Progress at Turmalina to End of July 2017

Emerging from the second quarter, Turmalina has successfully transitioned mining activities to Level 10 in Orebody A. This transition follows management's decision to leave Level 9 as a result of challenging ground conditions previously disclosed.

Management is focused on supporting current and future production targets at Turmalina by achieving certain key milestones including the following:

- Increasing the number of working areas in an effort to stabilize the mining cycles in order to have a consistent gold production.
- Increasing gold production from Orebody C while the mining cycle is normalized in Orebody A and until access to lower Orebody C containing higher grades can be established. Production from Orebody C is expected to impact consolidated grade in the short term.
- Completing the review of the upper levels of the mine in Orebody A to identify areas of high grade blocks that can be recovered. Several areas have already been identified and two mining blocks within these areas are expected to be recovered by year-end.
- Completion of the newly designed paste-fill plant, currently more than 90% complete. Commissioning is expected to begin in the fourth quarter.

The completion and sustaining of the key milestones outlined above is critical to ensuring the flexibility and consistency in the production plan at Turmalina and realizing the full potential of the higher grades in Orebody A. Subject to achieving and sustaining improved performance at Turmalina, the Company is targeting full year production of 95,000 ounces.

Q2 2017 Financial Highlights

- Continued company-wide cost reduction programs and a focus on profitable ounce production and waste reduction resulted in lower consolidated cash operating costs ("COC") per ounce sold in Q2 2017 of \$857, compared to \$924 in Q1 2017 and compared with \$758 for Q2 2016.
- Consolidated all-in sustaining costs ("AISC") per ounce sold in Q2 2017 were \$1,262, compared with \$1,203 for Q2 2016. The average realized gold price for Q2 2017 was \$1,266.
- With a focus on operating cash flow, despite lower gold ounce production, Turmalina COC in Q2 2017 were \$695 compared to \$738 in Q1 2017 and \$586 in Q2 2016. AISC for Turmalina in Q2 2017 were \$956, compared to \$903 in Q1 2017 and \$860 in Q2 2016.
- 18,453 ounces of gold ounces sold in Q2 2017 and 42,487 ounces for the first half of 2017, compared with 23,970 ounces in Q2 2016 and 46,851 for the first half of 2016. Revenue for Q2 2017 decreased 22% to \$23.4 million, compared with \$30.0 million in Q2 2016, due to 23% lower ounces sold.
- Adjusted EBITDA for Q2 2017 was \$3.7 million, or \$0.01 per share, compared to \$8.9 million, or \$0.08 per share for Q2 2016, while adjusted EBITDA for the first half of 2017 was \$7.9 million, or \$0.03 per share, compared to \$14.1 million, or \$0.13 per share, in the first half of 2016.
- Cost guidance revised to reflect lower than expected production as previously announced, and a stronger Brazilian Real currency. 2017 COC guidance revised to between \$750 - \$850 per ounce sold and AISC to between \$1,050 - \$1,150.
- Cash balance of approximately \$20.7 million as of June 30, 2017, compared to a cash balance of \$18.2 million at March 31, 2017. The cash position includes \$5.0 million in proceeds from a second tranche drawn on a secured facility from Sprott Private Resource Lending (Collector) LP, and a non-brokered private placement for gross proceeds of approximately \$5.8 million, which closed in June 2017.

Rodney Lamond, President and Chief Executive Officer of Jaguar commented, "We have made progress on a number of fronts in the second quarter of 2017. We reduced costs while continuing to invest capital on near-mine growth exploration projects and on upgrading our mining fleet. We have made excellent progress at Pilar and expect to see continued improvement in sustainable production levels. At

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Turmalina, mining activities successfully transitioned to Level 10 in Orebody A. Orebody A will take some time to increase the number of working faces before reaching a more normal mining cycle that will yield a consistent level of production. In the interim, we are increasing production from Orebody C, which will affect our average grades for 2017 as we mine more tonnes from this Orebody. The Company is targeting 95,000 ounces of gold production from the revised forecast for 2017. Additionally, as we continue to build our understanding of the Turmalina and Pilar mines through growth exploration efforts, we are encouraged with the results to date and look forward to updating exploration results before the end of the third quarter.”

Q2 2017 Financial and Operating Summary

(\$ thousands, except where indicated)	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	2017	2016
Financial Data				
Revenue	\$23,352	\$29,996	\$52,544	\$56,660
Operating costs	15,990	17,887	37,498	35,466
Depreciation	4,796	8,389	11,372	16,091
Gross profit	2,566	3,720	3,674	5,103
Gross profit (excluding depreciation) ¹	7,362	12,109	15,046	21,194
Loss on change in fair value of notes payable	-	25,189	-	45,944
Net (loss) income	(3,323)	(26,866)	(11,200)	(41,867)
Per share ("EPS")	(0.01)	(0.24)	(0.04)	(0.38)
EBITDA ¹	3,709	(18,044)	4,452	(23,904)
Adjusted EBITDA ^{1,2}	3,712	8,859	7,923	14,075
Adjusted EBITDA per share ¹	0.01	0.08	0.03	0.13
Cash operating costs (per ounce sold) ¹	857	758	895	750
All-in sustaining costs (per ounce sold) ¹	1,262	1,203	1,296	1,134
Average realized gold price (per ounce) ¹	1,266	1,251	1,237	1,209
Cash generated from operating activities	216	10,435	2,071	19,961
Adjusted operating cash flow ¹	4,391	8,575	8,553	12,014
Free cash flow ¹	(5,156)	2,570	(9,333)	6,130
Free cash flow (per ounce sold) ¹	(279)	107	(220)	131
Sustaining capital expenditures ¹	4,577	7,865	10,609	12,876
Non-sustaining capital expenditures ¹	1,390	1,245	2,263	1,629
Total capital expenditures	5,966	9,110	12,872	14,505

¹ 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, adjusted EBITDA per share, and gross profit (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.

² 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.

	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	2017	2016
Operating Data				
Gold produced (ounces)	19,769	24,222	42,061	45,419
Gold sold (ounces)	18,453	23,970	42,487	46,851
Primary development (metres)	824	1,857	1,734	3,018
Secondary development (metres)	989	1,317	2,370	2,363
Definition, infill, and exploration drilling (metres)	11,069	9,486	22,933	21,377

2017 Cost Guidance Revised

In light of the lower production guidance previously announced and a stronger Brazilian Real, the Company has increased its cost guidance as outlined below.

2017 Guidance	Turmalina Complex		Caeté Complex		Consolidated	
	Low	High	Low	High	Low	High
Cash operating costs (per ounce sold) ¹	\$650	\$700	\$1,000	\$1,100	\$750	\$850
All-in sustaining costs (per ounce sold) ¹	\$875	\$925	\$1,100	\$1,300	\$1,050	\$1,150

¹ COC and AISC are non-gaap financial performance measures with no standard definition under IFRS. Refer to the Non-IFRS Measures section below. 2017 cost guidance has been prepared on the basis of a foreign exchange ratio of 3.5 Brazilian Reals vs. the US dollar.

² COC guidance increased from \$725 - \$755 per ounce sold and consolidated AISC guidance increased from \$900 - \$1,000 per ounce sold.

Liquidity, Cash Flow and Foreign Exchange

- The Company had working capital of \$9.6 million as at June 30, 2017 (\$11.3 million as at December 31, 2016). Working capital as at June 30, 2017 is net of \$8.8 million in loans from Brazilian banks (\$10.3 million as at December 31, 2016) which are renewed every six months, and are expected to continue to be rolled forward. Working capital excluding the Brazilian bank loans was \$18.4 million as at June 30, 2017 (\$21.7 million as at December 31, 2016). As at June 30, 2017, the Company had cash and cash equivalents of \$20.7 million compared to \$26.3 million as at December 31, 2016.
- The average exchange rate during Q2 2017 was R\$3.22 Brazilian Reals per US dollar compared to R\$3.51 per US dollar in Q2 2016, an 8% strengthening of the Real against the US dollar.

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)	\$695	\$1,033	\$1,439	\$857	\$586	\$958	\$1,578	\$758	\$738	\$1,092	\$1,787	\$924
All-in sustaining costs (per oz sold)	\$956	\$1,235	\$1,842	\$1,262	\$860	\$1,383	\$1,961	\$1,203	\$903	\$1,434	\$2,330	\$1,323
Average realized gold price (\$/oz)				\$1,266				\$1,251				\$1,215
Development												
Primary (m)	504	218	102	824	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

Operating Summary Highlights

- Q2 2017 consolidated gold production totaled 19,769 ounces, compared to 24,222 ounces produced in Q2 2016. Tonnes milled were 216,000, with an average head grade of 3.18 g/t and recovery of 91%. The Q2 2017 consolidated operating performance included recovery from ground control issues at the Turmalina, especially improved production in May and June 2017. Overall production during the first half of the year was 42,061 ounces.
- Turmalina produced 10,870 ounces of gold compared to 15,083 ounces in the corresponding 2016 period, a decrease of 28% or 4,213 ounces; however, production at Turmalina demonstrated steady improvement during the quarter.
 - Development and mining of Level 10 of Orebody A is ongoing after mining in Level 9 was temporarily interrupted due to ground rehabilitation issues during Q1 2017. Level 10 continues to perform 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 standard cycle.
 - Turmalina is reviewing the stabilization and isolation of areas of Level 9 with the intention of extracting more ore from this area in the next 12 months.

- Pilar production of 7,702 ounces in Q2 2017 was marginally lower by 2% compared to Q2 2016. Average head grade was 3.16 g/t and recovery was steady at 91%. The impact of lower average head grade was offset by 18% higher tonnage at Pilar. Production gradually increased in the later part of the quarter, reflecting the advancing ore development into the higher-grade Orebodies BF and BFII.
- Roça Grande produced 1,197 ounces of gold in Q2 2017, a decrease from Q2 2016, and a slight improvement compared to Q1 2017, with average head grades of 2.15 g/t.

Q2 2017 Operating Improvements

- The Company has made significant progress with its cost reduction and operational excellence programs supported by the consulting group Aquila Institute.
- Throughout the first half of 2017, the Company 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 Growth Exploration and Mineral Resources Highlights

- 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.
 - o 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.
 - o 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 two 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.