JAGUAR
MINING INC.

NEWS RELEASE

July 12, 2018 **TSX: JAG**
FOR IMMEDIATE RELEASE

Jaguar Mining Reports Q2 2018 Production, 17% Lower Cash Costs, Higher Grades and Record Results at Pilar

Toronto, July 12, 2018 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) today announced operating results for the second quarter ("Q2 2018") ended June 30, 2018. All figures are in US dollars, unless otherwise expressed. Detailed financial results for Q2 2018 will be reported and filed on or before August 15, 2018.

Q2 2018 Key Highlights

- Q2 2018 consolidated gold production of 18,819 ounces (171,600 tonnes milled), average feed grade of 3.77 g/t, up 19% year-over-year, including record performance at Pilar Gold Mine ("Pilar").
- Pilar record gold production of 10,995 ounces, up 43%, higher average grade of 4.03 g/t, up 28% year-over-year.
- Turmalina Gold Mine ("Turmalina") gold production of 7,824 ounces, decreased 28%; production expected to increase in second half of 2018 as accelerated primary waste development advances.
- Primary waste development up 47% at Turmalina, to 740 metres, focused on significant advancement of accelerated development to access additional high-grade sub-levels for increased production.
- Preliminary cash costs improved 17% to $713 per ounce sold year-over-year and 11% from Q1 2018. Pilar cash costs $678 per ounce sold, decreased 34%, driving higher margin per ounce and cash flow.
- Preliminary cash balance of $11.1 million as of June 30, 2018, includes approximately $3.5–$4 million in operating cash flow and $6 million invested in growth activities.
- The Company replaced its fully secured Sprott Resource Lending loan with an unsecured credit facility with Auramet.

Rodney Lamond, President and Chief Executive Officer commented, "We have made solid progress with our operating results in the first half of 2018 which include record production at Pilar, increasing average grade as per expected levels and significantly higher primary and secondary development combined to increase future production levels. Our 17% lower operating cash costs enabled us to generate strong operating cash flow and continue investing in our growth exploration programs that will drive strong performance going forward. Pilar continues to demonstrate tremendous upside. We now expect lower operating cash costs per ounce sold. We also repaid approximately $4 million of debt in the first half of 2018 and converted our fully secured Sprott Resource Lending loan to an unsecured, lower cost credit facility with Auramet."

"We are extremely pleased to have restarted operations following the end of the national truck driver labour strike, which reduced production by approximately 2,500 ounces in the second quarter. Looking ahead, while Pilar remains firmly on track due to strong grade performance exceeding expectations so far this year, the slower than expected ramp up at Turmalina will result in lower production in 2018. At Turmalina, we continue to take a systematic approach to rebuilding its production profile to prior historical levels. Our top priority is to ensure we continue to complete critical primary and secondary development over the next 6 to 12 months that will enable us to access higher grade sub-levels, drive stoping, increase future production and meet our targets for 2018."

2018 Second Quarter Operating Results

Quarterly Summary	Q2 2018				Q2 2017			
	Turmalina	Pilar	Roça Grande[1]	Total	Turmalina	Pilar	Roça Grande	Total
Tonnes milled (t)	77,227	94,377	-	**171,604**	112,122	85,209	19,353	**216,684**
Average head grade (g/t)	3.46	4.03	-	**3.77**	3.37	3.16	2.15	**3.18**
Recovery (%)	91.1%	89.8%	-	**90.4%**	91.0%	90.3%	90.3%	**90.7%**
Gold ounces								
Produced (oz.)	7,824	10,995	-	**18,819**	10,870	7,702	1,197	**19,768**
Sold (oz.)	7,610	9,620	-	**17,230**	10,815	6,625	1,013	**18,453**
Cash Operating Costs[2]	757	678	-	**713**	695	1,032	1,438	**856**
Development								
Primary (m)	740	537	-	**1,277**	504	218	102	**824**
Secondary (m)	302	275	-	**578**	292	577	120	**989**
Definition, infill, and exploration drilling (m)	5,623	3,141	-	**8,763**	4,677	6,206	186	**11,068**

1. Roça Grande mine placed on care and maintenance in Q1 2018.
2. Cash Operating Cost is a non-IFRS reporting measure.

Cash Position and Use of Funds

- Cash balance of approximately $11.1 million as of June 30, 2018, compared to a cash balance of $14.3 million at March 31, 2018.
- Company generated approximately $3.5–$4 million in operating cash flow with approximately $6 million invested in growth activities.

Agreement to Replace Sprott Resource Lending Credit Facility

- The Company reached an agreement for a new $7 million lower cost unsecured credit facility (the “Credit Facility”) with Auramet to replace the Company’s higher cost “Secured” Loan facility with Sprott Resource Lending effective June 30, 2018.
- The Credit Facility is in the form of a gold purchase and sale agreement whereby Auramet has extended up to $7 million to Jaguar. As part of the agreement, the Company is required to maintain a $2 million deposit with Auramet. Funds advanced under the Credit Facility are subject to interest at 1-month LIBOR + 7.5%, as well a covenant to maintain a minimum net cash balance of $5 million, including the deposit.

Second Quarter 2018 Operating Summary

Pilar Gold Mine

- Production increased 43% to 10,995 ounces compared to Q2 2017, and 15% compared to Q1 2018, on average grade of 4.03 g/t, which increased 28% year-over-year.
- Record production of 4,639 ounces in June with record average grade of 4.76 g/t with Cash Operating Costs (“COC”) of approximately $532 per ounce sold.
- As expected, Pilar continues to deliver improved grade and tonnes milled as mining moves forward into the higher-grade extensions to the principle banded iron formation orebodies (BFII, BF, and BA) also reflected in increased Pilar’s latest measured and indicated mineral resources.
- Total tonnes milled of 94,377, up 16% compared to Q1 2018 of 81,000 tonnes. Pilar milled the highest level of tonnes in June, more than 32,000 tonnes, as the mine restarted mining activities post a national truck driver strike in May.

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- Recovery of 89.8% was slightly lower compared to Q2 2017; however, June recovery improved to 90.4%, the highest recovery level achieved over the last year. Recovery is expected to remain strong going forward as grades continue to increase.
- Total development of 813 m, with 537 m of primary development, 4.4% increase over 778 m of development in Q1 2018 due to a focus on high-speed ramp development.
- During the second quarter, Pilar increased stoping inventory to half a month production as long-hole drilling performance was improved as a result of higher long-hole fan-drill availability compared to Q1 2018.
- Pilar cash costs of $678 per ounce sold, decreased 34%, driving higher margin per ounces and cash flow.

Turmalina Gold Mine

- Production declined 28% to 7,824 ounces compared to 10,870 ounces in Q2 2017, and down 7% from 8,442 ounces in Q1 2018 due in part to a national truck driver labour strike that suspended mining activities that deferred critical tonnes, as well as development.
- Production levels are expected to increase in H2 2018 as accelerated primary waste development advances.
- COC decreased to $757 per ounce sold, a 2% improvement from $777 per ounce sold in Q1 2018 as cost control and reduction remains a key focus. Costs will continue to improve as Turmalina production continues to ramp up in the second half of 2018.
- Primary waste development increased 47% during the quarter to 740 m compared to 504 m in Q2 2017 and 648 m in Q1 2018. The focus in H1 2018 was to extensively advance accelerated development to access higher-grade mineralization in Level 11 at Orebody A and Level 4 at Orebody C.
- A key focus at both Turmalina and Pilar has been grade control to ensure consistency and quality ounce production. At Turmalina, grade control interventions have been progressing since the beginning of 2018. Focus areas for these interventions include sampling and short-term grade-geology modeling (tied into mine mapping programs), strict stope designs based on geology and grade, cut-off and dilution parameters and tracking of material from stope, stockpiles and plant feed. Early results have been encouraging with evidence for reduced grade-tonnage variances between predictive grade models and plant feed reconciliations as well as gold produced versus planned reconciliations.

Second Quarter 2018 Exploration Highlights

Turmalina reported results from 13 growth exploration drill holes targeting down dip extensions to Orebody C below Level 3 which confirmed continuity of gold mineralization beyond Level 8, 300 m below current operations (see press release June 18, 2018).

These drill results included several very high grade, wide drill intercepts with Grade x Thickness values > 30 including 7.77 g/t Au over 4.50 m (ETW 4.25 m), 9.22 g/t Au over 5.85 m (ETW 5.11 m) and 4.91 g/t Au over 15.10 m (ETW (14.65 m). These intercepts reflect the down plunge extensions of the central high-grade payshoot currently being-accessed for mining on Levels 3 and 4. Four drill intercepts with Grade x Thickness values > 10 GM were also reported.

Soil sampling grids in conjunction with detailed surface geological mapping and outcrop sampling were completed over the Zona Basal Target at Turmalina and the Pacheca North and Pilarzinho targets close to Pilar during the quarter. Results received to date have been encouraging from all three targets with several strong, strike consistent gold and pathfinder element in soil anomalies being defined worthy of follow-up infill sampling and trenching.

At Pedra Branca in Ceará, surface geological mapping over selected historical and newly defined targets has aided the compilation of new data and revision of historical geological data into an updated geological-structural map for the core area of the extensive tenement package held by Jaguar. Re-opening and re-sampling of trenches over several priority targets was completed during the quarter and this data, along with new mapping and sampling, will inform a full review of this project, the results of which will be used to design future exploration work and focus in the area.

Qualified Persons

Scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), Senior Expert Advisor Geology and Exploration to the Jaguar Mining Management Committee, 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 covering an area of approximately 64,000 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 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 2018. 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 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 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.

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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 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 March 31, 2018, is set out in the Company's first quarter 2018 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 March 31, 2018, is set out in the Company's first quarter 2018 MD&A filed on SEDAR at www.sedar.com.*

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