JAGUAR MINING INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(UNAUDITED)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of US dollars)

		June 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		**$ 48,286**	$ 46,357
Short-term investments		**2,426**	1,438
Restricted cash		**1,074**	923
Inventory	*Note 3*	**15,517**	15,343
Recoverable taxes	*Note 4*	**3,226**	3,933
Other accounts receivable		**904**	328
Prepaid expenses and advances		**1,752**	2,226
Total current assets		**73,185**	70,548
Non-current assets			
Property, plant and equipment	*Note 5*	**252,703**	253,440
Mineral exploration projects		**10,681**	10,681
Deferred tax assets		**6,938**	7,234
Recoverable taxes	*Note 4*	**3,135**	2,340
Restricted cash		**763**	753
Total assets		**$ 347,405**	$ 344,996
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 16,398**	$ 15,803
Notes payable		**2,012**	3,044
Lease liabilities		**1,332**	1,363
Current tax liability		**350**	1,422
Other taxes payable		**293**	487
Reclamation provisions	*Note 6*	**6,204**	8,585
Legal and other provisions	*Note 7*	**35,538**	26,174
Total current liabilities		**62,127**	56,878
Non-current liabilities			
Lease liabilities		**2,197**	2,544
Other taxes payable		**7**	8,185
Reclamation provision	*Note 6*	**32,123**	28,309
Legal and other provisions	*Note 7*	**19,027**	9,548
Total liabilities		**$ 115,481**	$ 105,464
SHAREHOLDERS' EQUITY			
Common shares	*Note 8*	**$ 574,650**	$ 574,634
Stock options		**1,340**	1,335
Deferred share units		**3,268**	2,743
Contributed surplus		**23,962**	23,883
Deficit		**(371,296)**	(363,063)
Total shareholders' equity		**$ 231,924**	$ 239,532
Total liabilities and shareholders' equity		**$ 347,405**	$ 344,996

Subsequent events *Note 7*

On behalf of the Board:

(signed) "Jeffrey Kennedy" *(signed) "Luis Albano Tondo"*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of US dollars, except per share amounts and number of shares)

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
Revenue		**$ 35,826**	$ 44,779	**$ 63,115**	$ 77,356
Operating costs	*Note 10*	**13,079**	19,897	**23,628**	38,212
Depreciation		**3,215**	7,828	**5,991**	14,989
Gross profit		**19,532**	17,054	**33,496**	24,155
Exploration and evaluation costs		**462**	378	**857**	960
Stock-based compensation	*Note 8(b)(c)*	**615**	428	**618**	436
General and administrative expenses		**2,279**	2,097	**4,780**	3,896
Satinoco event	*Note 7*	**23,452**	-	**29,206**	-
Legal, recoverable tax and other provisions expenses		**3,047**	309	**3,453**	817
Other operating expenses (income)		**823**	286	**843**	340
Operating income		**(11,146)**	13,556	**(6,261)**	17,706
Foreign exchange (gain) loss		**3,785**	(3,515)	**9,675**	(4,726)
Financial instruments (gain)		**(556)**	-	**(986)**	-
Finance costs		**2,098**	556	**3,364**	1,301
Other non-operating (income) expenses	*Note 11*	**(10,396)**	(227)	**(11,212)**	314
Income before income taxes		**(6,077)**	16,742	**(7,102)**	20,817
Current income tax expense		**373**	3,273	**835**	4,522
Deferred income tax expense		**164**	-	**296**	-
Total income tax expense		**537**	3,273	**1,131**	4,522
Net (loss) income		**$ (6,614)**	$ 13,469	**$ (8,233)**	$ 16,295
Total comprehensive (loss) income		**$ (6,614)**	$ 13,469	**$ (8,233)**	$ 16,295
Earnings per share	*Note 9*				
Earnings per share					
Basic		**$ (0.08)**	$ 0.17	**$ (0.10)**	$ 0.21
Diluted		**$ (0.08)**	$ 0.17	**$ (0.10)**	$ 0.20
Weighted average shares outstanding					
Basic		**79,313,603**	79,093,609	**79,312,658**	79,080,137
Diluted		**79,313,603**	80,317,603	**79,312,658**	80,116,425

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of US dollars)

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
OPERATING ACTIVITIES					
Net (loss) income for the period		**$ (6,614)**	$ 13,469	**$ (8,233)**	$ 16,295
Adjustments and non-cash items					
Depreciation and amortization		**4,027**	7,861	**7,637**	15,056
Accretion interest expense		**1,265**	442	**2,470**	1,086
Interest expense		**776**	102	**826**	203
Unrealized foreign exchange loss (gain)		**4,029**	(3,882)	**10,216**	(5,160)
Current income tax expense		**373**	3,273	**835**	4,522
Deferred income tax expense		**164**	-	**296**	-
Change in reclamation provisions for sites on care and maintenance	*Note 11*	**(1,561)**	165	**(2,139)**	8
Recovery on reversal of withholding tax provisions	*Note 11*	**(8,170)**	-	**(8,170)**	-
Satinoco provisions expense	*Note 7*	**17,904**	-	**17,904**	-
Legal and other provisions expense	*Note 7*	**4,743**	164	**5,034**	593
Other activities (recovery) expense	*Note 12*	**25**	(122)	**363**	989
Changes in operating assets and liabilities	*Note 13*	**(4,159)**	520	**(12,888)**	(1,961)
Cash provided by operating activities before income taxes		**12,802**	21,992	**14,151**	31,631
Income taxes paid		**(463)**	(1,226)	**(2,071)**	(2,756)
Net cash provided by operating activities		**12,339**	20,766	**12,080**	28,875
INVESTING ACTIVITIES					
Additions of property, plant and equipment		**(4,440)**	(9,485)	**(7,769)**	(16,679)
Proceeds from dispositions of property, plant and equipment		**125**	16	**126**	301
Proceeds from disposition of mineral exploration projects		**-**	-	**-**	4,000
Net cash (used in) investing activities		**(4,315)**	(9,469)	**(7,643)**	(12,378)
FINANCING ACTIVITIES					
Cash received upon issuance of notes payable	*Note 16(f)*	**2,000**	1,350	**2,000**	3,000
Cash received upon issuance of shares via stock options exercised	*Note 8(b)*	**-**	-	**7**	-
Repayment of notes payable and lease liabilities	*Note 16(f)*	**(1,793)**	(2,021)	**(3,876)**	(4,432)
Interest paid		**(43)**	(58)	**(98)**	(130)
Net cash provided by (used in) financing activities		**164**	(729)	**(1,967)**	(1,562)
Effect of exchange rate changes on cash and cash equivalents		**(244)**	367	**(541)**	434
Net increase in cash and cash equivalents		**7,944**	10,935	**1,929**	15,369
Cash and cash equivalents at the beginning of the period		**40,342**	26,475	**46,357**	22,041
Cash and cash equivalents at the end of the period		**$ 48,286**	$ 37,410	**$ 48,286**	$ 37,410

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2025 and 2024

(Expressed in thousands of US dollars)

	Common Shares		Stock Options		Deferred Share Units		Contributed Surplus	Deficit	Total Equity
	Shares	Amount	Options	Amount	Units	Amount			
	Note 8		*Note 8*		*Note 8*				
Balance as at January 1, 2024	79,066,665	$ 574,000	993,792	$ 1,390	843,455	$ 2,776	$ 23,883	$ (361,776)	240,273
Stock options granted and outstanding	-	-	-	13	-	-	-	-	13
Deferred share units granted and outstanding	-	-	-	-	290,318	424	-	-	424
Deferred share units redeemed	79,093	160	-	-	(79,093)	(160)	-	-	-
Net income	-	-	-	-	-	-	-	16,295	16,295
Balance as at June 30, 2024	79,145,758	$ 574,160	993,792	$ 1,403	1,054,680	$ 3,040	$ 23,883	$ (345,481)	$ 257,005
Balance as at January 1, 2025	79,308,085	$ 574,634	929,292	$ 1,335	956,853	$ 2,743	$ 23,883	$ (363,063)	$ 239,532
Stock options granted and outstanding	-	-	334,328	60	-	-	-	-	60
Stock options exercised	3,137	10	(3,137)	(3)	-	-	-	-	7
Stock options forfeited	-	-	(23,349)	(52)	-	-	52	-	-
Deferred share units granted and outstanding	-	-	-	-	260,394	558	-	-	558
Deferred share units redeemed	2,381	6	-	-	(2,381)	(6)	-	-	-
Deferred share units forfeited	-	-	-	-	(7,509)	(27)	27	-	-
Net (loss)	-	-	-	-	-	-	-	(8,233)	(8,233)
Balance as at June 30, 2025	**79,313,603**	**$ 574,650**	**1,237,134**	**$ 1,340**	**1,207,357**	**$ 3,268**	**$ 23,962**	**$ (371,296)**	**$ 231,924**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of business

Jaguar Mining Inc. (the "Company" or "Jaguar") is a corporation continued under the *Business Corporations Act* (Ontario) engaged in the acquisition, exploration, development, and operation of gold producing properties in Brazil. The address of the Company's registered and principal executive office is 25 Adelaide St. East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1.

These condensed interim consolidated financial statements of the Company as at and for the three and six months ended June 30, 2025 and 2024, include the accounts of the Company and its wholly-owned subsidiaries: (i) Mineração Serras do Oeste Ltda. ("MSOL") and (ii) Mineracao Oncas De Pitangui Ltda. ("MOPL", formerly denominated IAMGOLD Brazil Prospecções Minerais Ltda.). All significant intercompany accounts and transactions have been eliminated on consolidation.

MSOL is the operating subsidiary for (i) the Turmalina Complex comprising the Turmalina mine and one processing facility, (ii) the Caeté Complex comprising the Pilar mine and one processing facility, and (iii) the Paciência Complex comprising the Santa Isabel mine which has been on care and maintenance since 2012. MOPL is the operating subsidiary for the Pitangui and Acuruí gold mineral exploration projects which are located, respectively, in proximity to the Turmalina Complex and Paciência Complex.

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all annual disclosures as required by IFRS Accounting Standards as issued by the IASB, and should be read in connection with the Company's December 31, 2024 audited annual consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on August 14, 2025.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business as they become due.

2. Material accounting policies and significant estimates and judgments

The accounting policies and estimates applied in these condensed interim consolidated financial statements are consistent with those used in the Company's audited annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following which were effective and adopted as of January 1, 2025:

- IAS 21 'The Effects of Changes in Foreign Exchange Rates' – On August 15, 2023, the IASB issued amendments to IAS 21 to specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not exchangeable. The amendments specify that a currency is exchangeable when it can be exchanged through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and the specified purpose. For non-exchangeable currencies, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. The adoption of the amendments to IAS 21 did not affect the financial results or disclosures in the Company's condensed interim consolidated financial statements.

The following are recent pronouncements approved by the IASB that are pending adoption:

- IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'– In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The key changes included clarification on the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to financial liabilities settled through electronic payment system, including an option to utilize an accounting policy for early derecognition. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB also added disclosure requirements to provide additional transparency regarding equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, such as those related to ESG requirements. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is assessing the impact of these amendments on its consolidated financial statements.

- IFRS 18 'Presentation and Disclosure in Financial Statements' – On April 9, 2024, the IASB issued IFRS 18 replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

3. Inventory

Inventory is comprised of the following:

	June 30, 2025	December 31, 2024
Raw material and mine operating supplies	**$ 10,410**	$ 10,553
Ore in stockpiles	**749**	949
Gold in process	**2,078**	2,318
Unrefined gold doré	**2,280**	1,523
Total inventory	**$ 15,517**	$ 15,343

The inventory amount recognized in direct mining and processing costs for the three and six months ended June 30, 2025 was $11.8 million and $21.8 million, respectively ($18.7 million and $36.1 million, respectively, during the three and six months ended June 30, 2024).

4. Recoverable taxes

	December 31, 2024	Additions/ reversals	Sales of credits	Applied to taxes payable	Foreign exchange	June 30, 2025
ICMS[a]	$ 5,088	$ 672	$ (553)	$ -	$ 729	**$ 5,936**
Provision for ICMS	$ (1,828)	$ (129)	$ -	$ -	$ (252)	**$ (2,209)**
Net ICMS	$ 3,260	$ 543	$ (553)	$ -	$ 477	**$ 3,727**
Value added taxes and other[b]	$ 3,013	$ 3,629	$ -	$ (4,433)	$ 425	**$ 2,634**
Total recoverable taxes	**$ 6,273**	**$ 4,172**	**$ (553)**	**$ (4,433)**	**$ 902**	**$ 6,361**
Less: current portion	3,933					**3,226**
Non-current portion	$ 2,340					**$ 3,135**

a) As at June 30, 2025, the Company held R$1.9 million (approximately $0.3 million) in ICMS export and deferred tax credits authorized for sale but not yet sold (December 31, 2024 – R$1.9 million, approximately $0.3 million).

b) In the six months ended June 30, 2025, the Company applied (i) R$15.4 million ($2.7 million) in federal value added taxes and other tax credits to pay INSS payroll tax obligations and (ii) R$10.2 million ($1.7 million) to pay goods and service withholding tax obligations. In the six months ended June 30, 2024, the Company applied (i) R$11.3 million ($2.2 million) in federal value added taxes and other tax credits to pay INSS payroll tax obligations and (ii) R$5.6 million ($1.1 million) to pay goods and service withholding tax obligations.

   As at June 30, 2025, the Company had a R$8.5 million ($1.5 million) receivable outstanding in its condensed interim consolidated statement of financial position for tax refunds due to the Company pursuant to a court judgment received with respect to its litigation over Brazil Federal VAT input tax credit claims from past years (December 31, 2024: R$8.5 million, or $1.4 million).

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

5. Property, plant and equipment ("PP&E")

	Plant	Vehicles	Equipment[1]	Leasehold[2]	CIP[3]	Mining properties	Total
Cost							
Balance as at January 1, 2025	$ 27,179	$ 7,246	$ 203,446	$ 12,747	$ 7,600	$ 610,382	$ 868,600
Additions	11	72	1,528	-	1,168	4,886	7,665
Disposals	-	-	(6,727)	(22)	(421)	(2,192)	(9,362)
Transfers within PP&E	19	-	197	-	(216)	-	-
Balance as at June 30, 2025	**$ 27,209**	**$ 7,318**	**$ 198,444**	**$ 12,725**	**$ 8,131**	**$ 613,076**	**$ 866,903**
Accumulated depreciation and impairment							
Balance as at January 1, 2025	$ 18,615	$ 2,290	$ 183,442	$ 8,919	$ -	$ 401,894	$ 615,160
Depreciation for the period	851	366	2,166	601	-	3,623	7,607
Disposals	-	-	(6,423)	(22)	-	(2,122)	(8,567)
Balance as at June 30, 2025	**$ 19,466**	**$ 2,656**	**$ 179,185**	**$ 9,498**	**$ -**	**$ 403,395**	**$ 614,200**
Carrying amount							
Balance as at June 30, 2025	**$ 7,743**	**$ 4,662**	**$ 19,259**	**$ 3,227**	**$ 8,131**	**$ 209,681**	**$ 252,703**
Cost							
Balance as at January 1, 2024	$ 26,824	$ 7,194	$ 207,329	$ 8,688	$ 4,247	$ 599,491	$ 853,773
Additions	107	158	1,422	4,059	4,556	32,466	42,768
Disposals	(169)	(597)	(5,305)	-	(295)	(21,575)	(27,941)
Transfers within PP&E	417	491	-	-	(908)	-	-
Balance as at December 31, 2024	$ 27,179	$ 7,246	$ 203,446	$ 12,747	$ 7,600	$ 610,382	$ 868,600
Accumulated depreciation and impairment							
Balance as at January 1, 2024	$ 17,666	$ 2,642	$ 183,399	$ 7,917	$ -	$ 411,720	$ 623,344
Depreciation for the period	1,721	601	5,143	1,276	-	17,403	26,144
Impairment charges (reversals)	(615)	(356)	(1,429)	(274)	-	(5,654)	(8,328)
Disposals	(157)	(597)	(3,671)	-	-	(21,575)	(26,000)
Balance as at December 31, 2024	$ 18,615	$ 2,290	$ 183,442	$ 8,919	$ -	$ 401,894	$ 615,160
Carrying amount							
Balance as at December 31, 2024	$ 8,564	$ 4,956	$ 20,004	$ 3,828	$ 7,600	$ 208,488	$ 253,440

[1] As at June 30, 2025, the Company had equipment under right-of-use leases at a cost and net book value of $19.7 million and $7.1 million, respectively (December 31, 2024 - $19.7 million and $8.1 million, respectively).

[2] Refers to corporate office leasehold improvements and leased vehicles in Brazil.

[3] Refers to construction in progress.

6. Reclamation provisions

	December 31, 2024	Additions/ (reversals)[1]	Accretion	Payments	Foreign exchange	June 30, 2025
Reclamation provision	$ 36,894	$ (2,243)	$ 2,413	$ (3,663)	$ 4,926	**$ 38,327**
Less: current portion	8,585					**6,204**
Non-current portion	$ 28,309					**$ 32,123**

[1] Additions / (reversals) include any (i) changes due to revisions to Management's estimate for the expected cost for reclamation and (ii) changes due to remeasurement at the reporting date.

7. Legal and other provisions

As at June 30, 2025, the Company has recognized a provision of $54.6 million (December 31, 2024 – $35.7 million), representing management's best estimate of expenditures required to settle present obligations, as noted in the table below. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the outcome of the resolution of these matters.

	December 31, 2024	Additions	Reversals/ Transfers	Payments	Foreign exchange	June 30, 2025
Labour litigation	$ 8,138	$ 831	$ (400)	$ (407)	$ 1,109	**$ 9,271**
Tax litigation	819	36	-	-	131	**986**
Civil litigation	2,616	326	(12)	(38)	337	**3,229**
Satinoco provisions[(a)]	23,837	17,904	-	(8,071)	2,820	**36,490**
Other provisions[(b)]	312	4,253	-	-	24	**4,589**
Total legal and other provisions	$ 35,722	$ 23,350	$ (412)	$ (8,516)	$ 4,421	**$ 54,565**
Less: current portion	26,174					**35,538**
Non-current portion	$ 9,548					**$ 19,027**

a) Satinoco Incident

On December 7, 2024, the Company experienced a slump (the "Incident") in the north wall of the Satinoco dry tailings pile which belongs to the Turmalina Complex and consists of dry-stacked filtered tailings and waste rock. As a result of the Incident, the Company's operating license for the Turmalina mine was suspended until further notice.

On December 9, 2024, the Company became aware of the filing of a Public Civil Lawsuit by the State Public Prosecutor's Office which, among other things, requested the payment of a compensation in the amount of R$200.0 million ($36.6 million). The Company has filed a defense in this lawsuit as it views them to be excessive and disproportionate to the scale of the event and the actual impact caused by the Incident. As at June 30, 2025, the Company is awaiting the authorities' response to the judicial defense presented.

On December 20, 2024, the Company received a notice of infraction applying an environmental liability fine of approximately R$320 million ($58.6 million) from the State Secretariat for the Environment and Sustainable Development (SEMAD) of Minas Gerais. The Company contested the infraction amount and on July 11, 2025 signed a settlement agreement with SEMAD. According to the settlement, the infraction amount was reduced from R$320.0 million to R$60.0 million ($11.0 million) and the payment terms were established as follows: (i) R$24.5 million ($4.5 million) to be paid to complete certain socio-environmental projects in the State of Minas Gerais within 24 months following a 12 month grace period and (ii) R$35.5 million ($6.5 million) to paid to SEMAD in 60 monthly installments following a 12 month grace period. The 60 month installments incur interest based on Brazil's SELIC (Sistema Especial de Liquidação e de Custódia) rate as from the date the settlement agreement is judicially confirmed to the date the installments are paid.

On March 24, 2025, the Company signed an agreement with the Public Defender's Office of Minas Gerais which established parameters ("Fair Compensation Parameters") to be used in fairly determining the compensation of individuals and families impacted by the Incident. Following the execution of this agreement, the impacted individuals and families will work with the Public Defender's Office to identify their right to a compensation claim under the parameters established and then decide (i) to submit a compensation claim in conformity with the Fair Compensation Parameters, (ii) to submit a compensation claim through a separate litigation to be initiated against the Company, or (iii) to refrain from submitting a compensation claim. If all impacted individuals and families submit claims in conformity with the Fair Compensation Parameters, the Company estimates its cost for compensation will be approximately R$57 million ($10.4 million).

The amounts disclosed in these condensed interim consolidated financial statements are representative of Management's best estimate and have taken into consideration the facts and circumstances known at this point in time.

As at June 30, 2025, the Company has provisioned R$199.2 million ($36.5 million) in total liabilities related to the Incident in its condensed interim consolidated statement of financial position to cover eventual indemnities, environmental recovery costs, fines and assessments, according to management's best estimate.

In the three and six months ended June 30, 2025, the Company paid $5.0 million and $8.1 million, respectively, in environmental and community obligations related to the Incident and recorded the following expenses:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Turmalina care and maintenance expenses	**$ 4,772**	$ -	**$ 9,727**	$ -
Satinoco provisions expenses	**17,904**	-	**17,904**	-
Turmalina depreciation expense	**776**	-	**1,575**	-
Total Satinoco event	**$ 23,452**	$ -	**$ 29,206**	$ -

As at the date of issuance of these condensed interim consolidated financial statements, the Company's operating license for the Turmalina mine remains suspended, and the Company continues to work diligently in cooperation with local authorities and stakeholders to remedy the impacts made in a fair and transparent manner and develop its plan to safely and profitably restart mining activities when government authorization is obtained to do so.

b) Other expense provision

Subsequent to June 30, 2025, the Company initiated a review of its historical royalty payments and identified that certain royalties were paid to incorrect landowners between June 2022 and June 2025. As at June 30, 2025, the Company recorded $4.3 million other expense provision as its best estimate for the amount due to the correct landowners. The total royalty expense was calculated and recognized accurately in prior period consolidated financial statements. The Company continues to investigate this matter and is pursuing recovery of the amounts paid to incorrect landowners, but no receivable has been recognized as at June 30, 2025, as recovery remains uncertain and is considered a contingent asset.

8. Capital stock

a) Common shares

The Company is authorized to issue an unlimited number of common shares. All issued shares are fully paid and have no par value. Changes in common shares for the six months ended June 30, 2025 and 2024 are as follows:

		Number of shares		Amount
Balance as at December 31, 2024		79,308,085	$	574,634
Shares issued upon exercise of stock options	*Note 8(b)*	3,137		10
Shares issued upon redemption of deferred share units	*Note 8(c)*	2,381		6
Balance as at June 30, 2025		**79,313,603**	**$**	**574,650**
Balance as at December 31, 2023		79,066,665	$	574,000
Shares issued upon redemption of deferred share units	*Note 8(c)*	79,093		160
Balance as at June 30, 2024		**79,145,758**	**$**	**574,160**

b) Stock options

The Stock Option Plan ("SOP") provides for the issuance of options to employees, directors, or officers of the Company, its subsidiary, or any of its affiliates, consultants, and management employees.

The aggregate number of shares available at all times for issuance under the SOP shall not exceed 10% of the total issued and outstanding common shares of the Company (calculated on a non-diluted basis). Any option, which has been exercised, cancelled or forfeited, will again be available for grant under the SOP. The Board of Directors has the power to determine terms of any options and units granted under the Company's incentive plans, including setting exercise prices, vesting terms and expiry dates.

The following table shows the movement of stock options for the six months ended June 30, 2025 and 2024:

	Number of options		Weighted average exercise price (C$)
Balance as at December 31, 2024	929,292	$	2.62
Options granted[1]	334,328		3.53
Options exercised[2]	(3,137)		2.85
Options forfeited[3]	(23,349)		4.43
Balance as at June 30, 2025	**1,237,134**	**$**	**2.83**
Balance as at December 31, 2023	993,792	$	2.59
Balance as at June 30, 2024	**993,792**	**$**	**2.59**

1) In the six months ended June 30, 2025, the Company granted 334,328 stock options to executives of the Company at a weighted average exercise price of C$3.47 and expiry occurring eight years from the grant date.

2) In the six months ended June 30, 2025, officers and directors of the Company exercised a total 3,137 options with a weighted average exercise price of C$2.85. The exercises were paid for with $7,000 in cash proceeds to the Company, and as a result of the options exercised, the Company issued 3,137 common shares. The weighted average share price at the date of exercise of stock options during the six months ended June 30, 2025 was C$2.59.

3) Relates to forfeitures of options upon resignation of one former executive.

The following table sets out the assumptions and forms of valuation of stock option grants for the six months ended June 30, 2025:

Grant date	Weighted average exercise price (C$)	Number of options	Risk-free interest rate	Expected life (years)	Volatility Factor	Form of fair value measurement	Weighted average grant date fair value per option (C$)
May 23, 2025[1]	3.28	132,164	3.12%	4.00	68%	Black-Scholes	1.9700
May 23, 2025[2]	3.28	22,164	2.72%	3.00	68%	Monte-Carlo	0.0052
June 2, 2025[3]	3.74	180,000	3.01%	4.00	72%	Black-Scholes	2.3400

[1] (i) 22,164 will become exercisable upon vesting and will vest in three equal annual installments over a three-year period starting on May 23, 2025; (ii) 55,000 will become exercisable upon vesting and will vest if and when the Company publicly announces it has obtained approval to resume production at the Turmalina Complex, and (iii) 55,000 will become exercisable upon vesting and will vest if and when the Company publicly announces the settlement of all fines resulting from the Satinoco Incident (Note 7).

[2] 22,164 will become exercisable upon vesting and will vest if an when the 15-day VWAP for the Company's shares reaches C$4.602 which represents a 30% premium to closing share price on the grant date

[3] 180,000 will become exercisable upon vesting and will vest in three equal annual installments over a three-year period starting on June 2, 2025.

The expected volatility was estimated using the Company's historical data from the date of grant and for a period corresponding to the expected life of the options.

The table below shows the outstanding stock options as at June 30, 2025:

Weighted average exercise price (C$)	Grant date	Number of options outstanding	Number of options exercisable	Estimated fair value at grant date (US$ per option)	Expiry date
$ 1.00	May 31, 2019	20,000	20,000	$ 0.3327	May 31, 2027
2.20	August 5, 2019	600,000	600,000	0.9929	August 5, 2027
1.90	October 4, 2019	22,500	22,500	1.1264	October 4, 2027
2.50	January 15 ,2020	97,000	97,000	1.3564	January 15, 2028
8.70	August 19, 2020	8,500	8,500	5.1087	August 19, 2028
8.25	January 19, 2021	37,997	34,711	3.8679	January 19, 2029
4.33	January 25, 2022	45,675	45,675	1.9850	January 25, 2030
2.85	January 27, 2023	11,134	11,134	1.1034	January 27, 2031
1.32	November 8, 2023	60,000	60,000	0.4458	November 8, 2031
3.28	May 23, 2025	132,164	-	1.4250	May 23, 2033
3.28	May 23, 2025	22,164	-	0.0038	May 23, 2033
3.74	June 2, 2025	180,000	-	1.7051	June 2, 2033
$ 2.83		**1,237,134**	**899,520**	**1.2729**	

For the three and six months ended June 30, 2025, the Company recognized $57,000 and $60,000, respectively, in stock-based compensation expense for stock options in the condensed interim consolidated statements of operations and comprehensive (loss) income ($5,000 and $13,000, respectively, for the three and six months ended June 30, 2024).

c) Deferred share units – "DSUs"

The deferred share unit plan ("DSU Plan") provides awards to employees, directors, or officers of the Company. DSU means a right to receive, on a deferred basis, previously unissued shares in accordance with the terms of the DSU Plan. DSUs granted to officers, executives, and employees are redeemable upon vesting. DSUs granted to directors are redeemable upon retirement and up to three to twelve months following retirement. Vested DSUs shall be redeemed in whole or in part for shares issued from treasury or, subject to the approval of the Company, cash. The Company accounts for these awards as equity awards. The maximum number of shares reserved for issuance under the DSU Plan, at any time, shall be 3,623,269.

The following table shows the movement of DSUs for the six months ended June 30, 2025 and 2024:

	Number of units		Weighted average grant date fair value (US$)
Balance as at December 31, 2024	956,853	$	2.84
Units granted[1]	260,394		2.24
Units redeemed[2]	(2,381)		2.33
Units forfeited[5]	(7,509)		3.55
Balance as at June 30, 2025	**1,207,357**	**$**	**2.71**
Balance as at December 31, 2023	843,455	$	3.27
Units granted[3]	290,318		1.45
Units redeemed[4]	(79,093)		2.33
Balance as at June 30, 2024	**1,054,680**	**$**	**2.84**

1) On May 23, 2025, the Company granted a total 260,394 DSUs to directors and executives of the Company holding a total grant date fair value of $584,000, measured at a weighted average US$2.24/share, as follows:

i. 243,078 immediately-vested DSUs to non-executive directors of the Company
ii. 8,658 time-vested DSUs to an officer of the Company which vest in three equal annual installments over three years as from the grant date.
iii. 8,658 market-conditioned DSUs to an officer of the Company which shall vest if at anytime within a three year period following the grant date the Company's stock price reaches C$4.60 measured on a 15-day VWAP basis.

2) In the six months ended June 30, 2025, officers and directors redeemed a total of 2,381 DSUs. The DSU redemptions were settled via issuance of 2,381 common shares, and the corresponding grant date fair value of $6,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

3) On April 3, 2024, the Company granted a total 290,318 DSUs to directors and executives of the Company holding a total grant date fair value of $421,000, measured at US$1.45/share, as follows:

iv. 145,159 immediately-vested DSUs to the Company's non-executive directors, all of which vested immediately.
v. 145,159 time-vested DSUs to non-executive directors, that vested on June 21, 2024.

4) In the six months ended June 30, 2024, officers and directors redeemed a total of 79,093 DSUs. The DSU redemptions were settled via issuance of 79,093 common shares, and the corresponding grant date fair value of $160,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

5) Relates to forfeitures of DSUs upon expiry following the resignation of a former executive.

For the three and six months ended June 30, 2025, the Company recognized $558,000 and $558,000, respectively, in stock-based compensation expense for DSUs in the condensed interim consolidated statements of operations and comprehensive (loss) income ($422,000 and $424,000, respectively, for the three and six months ended June 30, 2024).

9. Basic and diluted earnings per share

Dollar amounts and share amounts in thousands, except per share amounts.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Numerator				
Net (loss) income for the purpose of basic and diluted income per share	**$ (6,614)**	$ 13,469	**$ (8,233)**	$ 16,295
Denominator				
Weighted average number of common shares outstanding - basic	**79,313,603**	79,093,609	**79,312,658**	79,080,137
Stock Options	**-**	169,314	**-**	55,758
Deferred share units	**-**	1,054,680	**-**	980,530
Weighted average number of common shares outstanding - diluted	**79,313,603**	80,317,603	**79,312,658**	80,116,425
Basic income per share	**$ (0.08)**	$ 0.17	**$ (0.10)**	$ 0.21
Diluted income per share	**$ (0.08)**	$ 0.17	**$ (0.10)**	$ 0.20

The determination of the weighted average number of common shares outstanding for the calculation of diluted earnings per share does not include the following effect of options and deferred shares units which were anti-dilutive to earnings per share in the period:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Stock options	**1,237,134**	824,478	**1,237,134**	938,034
Deferred share units	**1,207,357**	-	**1,207,357**	74,150
Anti-dilutive instruments	**2,444,491**	824,478	**2,444,491**	1,012,184

10. Operating costs

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
Direct mining and processing costs	*Note 3*	**$ 11,840**	$ 18,698	**$ 21,789**	$ 36,099
Royalty expense and CFEM taxes[1]		**1,239**	1,199	**1,839**	2,113
Operating costs		**$ 13,079**	$ 19,897	**$ 23,628**	$ 38,212

[1] CFEM - Compensação Financeira pela Exploração Mineral taxes are Brazil mining royalty fees levied by the Federal government as financial compensation for mineral exploitation.

11. Other non-operating (income) expenses

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
Interest income		**$ (395)**	$ (325)	**$ (745)**	$ (586)
Recovery on reversal of withholding tax provisions[a]		**(8,170)**	-	**(8,170)**	-
(Gain) loss on disposition of property, plant and equipment	*Note 12*	**(48)**	74	**586**	1,092
Loss on sales of ICMS and other recoverable taxes		**-**	161	**-**	161
Changes in reclamation provisions for sites on care and maintenance[b]		**(1,561)**	165	**(2,139)**	8
Other non-operating (income)		**(222)**	(302)	**(744)**	(361)
Total other non-operating (income) expenses		**$ (10,396)**	$ (227)	**$ (11,212)**	$ 314

a) On June 30, 2025, the Company reversed the withholding tax provision according to favorable results of a tax planning strategy completed in the period.

b) Refers to changes in reclamation provisions for sites on care and maintenance.

12. Cash flow – other operating activities – non-cash adjustments

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
Stock-based compensation		**$ 615**	$ 428	**$ 618**	$ 436
Non-cash other operating expense		**-**	-	**16**	-
Unrealized (gain) on short-term investments		**(556)**	-	**(986)**	-
(Gain) loss on disposition of property, plant and equipment	*Note 11*	**(48)**	74	**586**	1,092
Additions (reversals) to provision against recoverability of ICMS tax credits	*Note 4*	**14**	(624)	**129**	(539)
Other activities expenses (recoveries)		**$ 25**	$ (122)	**$ 363**	$ 989

13. Cash flow – changes in operating assets and liabilities

		Three months ended June 30,		Six months ended June 30,	
		2025	2024	**2025**	2024
Restricted cash		**$ (95)**	$ 8	**$ (161)**	$ (99)
Inventory		**392**	1,118	**(133)**	1,043
Recoverable taxes		**1,221**	247	**849**	(53)
Other accounts receivable		**(570)**	258	**(576)**	(27)
Prepaid expenses and other assets		**368**	120	**474**	(424)
Accounts payable and accrued liabilities		**2,704**	285	**(884)**	172
Other taxes payable		**(50)**	(204)	**(278)**	(449)
Reclamation provisions	*Note 6*	**(3,043)**	(840)	**(3,663)**	(1,341)
Legal and other provisions	*Note 7*	**(5,086)**	(472)	**(8,516)**	(783)
Changes in operating assets and liabilities		**$ (4,159)**	$ 520	**$ (12,888)**	$ (1,961)

14. Financial liabilities and other commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining undiscounted contractual maturities of the Company's financial liabilities and other commitments:

As at June 30, 2025	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**	**Total**
Financial Liabilities					
Accounts payable and accrued liabilities	$ 16,398	$ -	$ -	$ -	**$ 16,398**
Other Taxes Payable[(a)]					
ICMS Settlement Due	219	-	-	-	**219**
IRPJ & CSLL Settlement Due	74	7	-	-	**81**
Notes payable[(b)]					
Principal	2,000	-	-	-	**2,000**
Interest	12		-	-	**12**
Lease liabilities	1,429	2,493	-	-	**3,922**
Current tax liability	350	-	-	-	**350**
Total financial liabilities	$ 20,482	$ 2,500	$ -	$ -	**$ 22,982**
Other Commitments					
Reclamation provisions[(c)]	7,027	8,687	27,533	21,693	**64,940**
Legal and other provisions[(d)]	35,538	14,212	3,515	1,300	**54,565**
Suppliers' agreements[(e)]	4,409	26	-	-	**4,435**
Insurance agreements[(f)]	45	-	-	-	**45**
Total other commitments	$ 47,019	$ 22,925	$ 31,048	$ 22,993	**$ 123,985**
Total	**$ 67,501**	**$ 25,425**	**$ 31,048**	**$ 22,993**	**$ 146,967**

(a) Financial liabilities within Other taxes payable include state value-add taxes payable (*ICMS – Imposto sobre circulação de mercadorias e prestação de serviços*), payroll taxes payable (*INSS - Instituto Nacional do Seguro Social*), and federal income taxes payable (*iRPJ - Imposto de renda pessoa jurídica and CSLL - Contribuição social*).

(b) Notes payable represents the principal on Brazilian short-term bank loans with 180 day maturities.

(c) Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

(d) Legal and other provisions - includes commitments estimated to settle the Company's legal and other provisions (Note 7), including $36.5 million related to the Satinoco incident and $18.1 million for other labour, civil and tax litigations.

(e) Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares. The Company has the contractual right to cancel the mine operation contracts with 30 to 90 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 to 90 days.

(f) Insurance premium commitments in accordance with the Company's liability and property insurance policies.

15. Capital disclosures

The Company manages its capital structure in order to support the acquisition, exploration and development of mineral properties, and to maximize return to stakeholders through a flexible capital structure which optimizes the costs of capital and the debt and equity balance. The Company sets the amount of capital in proportion to risk by managing the capital structure and making adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To adjust or maintain its capital structure, the Company may adjust the amount of long-term debt, enter into new credit facilities, issue new equity, or enter into new customer advance arrangements.

As at June 30, 2025, the Company's capital structure is composed of $2.0 million in notes payable and $231.9 million in shareholders' equity (December 31, 2024: $3.0 million in notes payable and $239.5 million in shareholders' equity). As at June 30, 2025 and December 31, 2024, the Company was not subject to externally imposed capital requirements.

16. Financial risk management and financial instruments

The Company's activities expose it to a variety of financial instrument risks, including but not limited to: credit risk, liquidity risk, currency risk, interest rate risk, and price risk.

a) Credit risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to recoverable tax claims and sales agreements, but does not expect any counterparties to fail to meet their obligations. The Company's cash and cash equivalents are held through large financial institutions in Brazil, Canada, and the United States of America. The Company manages its credit risk by entering transactions with high-credit quality counterparties, limiting the amount of exposure to each counterparty where possible, and monitoring the financial condition of the counterparties.

b) Liquidity risk

To manage its liquidity risk, the Company conducts an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factors are the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines. The Company's financial liabilities and other commitments are listed in Note 14.

c) Derivative financial instruments

The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy. On an ongoing basis, the Company evaluates its price risk and currency risk and, when envisioned to be beneficial, engages in derivative financial instruments to manage these risks, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts. As at June 30, 2025, the Company did not have any derivative positions outstanding (December 31, 2024 – the Company did not have any derivative positions outstanding).

1) Price risk

The Company is exposed to price risk with respect to gold prices on gold sales. The Company evaluates price risk and, when envisioned to be beneficial, may enter into hedge contracts to manage this risk and to secure future sales terms with customers. The Company does not use hedge accounting for these instruments and gain and losses are recorded in earnings as fair value changes occur as a component of revenue. In the six months ended June 30, 2025, the Company did not enter into any price hedge contracts (no price derivative contracts in the six months ended June 30, 2024).

2) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include:
- Brazilian reais denominated cash and cash equivalents, other accounts receivable, recoverable taxes, restricted cash, accounts payable and accrued liabilities, lease liabilities, income taxes payable, reclamation provisions, and legal and other provisions;
- Canadian dollar denominated cash and cash equivalents, recoverable taxes and accounts payable and accrued liabilities, and
- Euro denominated lease obligations.

The Company may, at its discretion, use forward or derivative contracts to manage its exposure to foreign currencies. In the six months ended June 30, 2025, the Company did not enter into any foreign exchange forward or derivative contracts (nil foreign exchange derivative contracts in the six months ended June 30, 2024).

d) Interest rate risk

The Company is potentially exposed to interest rate risk on its outstanding borrowings and short-term investments. The Company managed its risk by entering into agreements with fixed interest rates on all of its notes payable with interest rates ranging from 5.9% to 6.7% per annum.

e) Inflation risk

The Company is exposed to risk with respect to inflation. Inflation risk refers to the potential for rising prices in an economy to erode the value of the purchasing power of the Company's cash over time. The Company manages its exposure to inflation risk through a detailed and continuous cost review and cash forecasting process.

f) Changes in liabilities arising from financing activities

		Changes from financing cash flows			Other changes		
	Balance as at January 1, 2025	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Foreign exchange loss	**Balance as at June 30, 2025**
Notes payable	$ 3,044	$ 2,000	$ (3,000)	$ (89)	$ 57	$ -	**$ 2,012**
Lease liabilities	3,907	-	(876)	(9)	66	441	**3,529**
	$ 6,951	$ 2,000	$ (3,876)	$ (98)	$ 123	$ 441	**$ 5,541**

17. Related party transactions

The Company incurred legal fees from Azevedo Sette Advogados ("ASA"), a law firm where Luis Miraglia, a director of Jaguar is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive (loss) income. Legal fees paid to ASA were $75,000 and $216,000 for the three and six months ended June 30, 2025 ($40,000 and $65,000, for the three and six months ended June 30, 2024). As at June 30, 2025, the Company had $48,000 recognized in its Accounts payable and accrued liabilities balance as owed to ASA (December 31, 2024 – $1,000).

The Company incurred office rent expenses from Orix Geoscience 2018 Inc. ("Orix"), a mineral exploration service firm where Shastri Ramnath, a director of Jaguar is the Chair and Co-Owner. Rent expenses paid to Orix were $4,000 and $9,000 for the three and six months ended June 30, 2025 ($6,000 and $8,000, for the three and six months ended June 30, 2024).