

INTERNAL POLICY



Anti-Corruption Policy

May 2018

Adopted by the Board of Directors of Jaguar Mining

Distribution List

Prepared by	Internal Audit
For	Jaguar Employees And Related Parties



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Approval and revision history

Approved by		
Version	Name / Title	Date
1.1	Rodney Lamond - CEO	May 08 th , 2018
1.1	Audit Committee	May 08 th , 2018
1.0	Rodney Lamond - CEO	December 16 th , 2016
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Anti-Corruption Policy

1. INTRODUCTION

The Board of Directors (the “Board”) of Jaguar Mining Inc (the “Company” or “Jaguar”), has determined that Jaguar should formalize its policy relating to anti-corruption laws in the form of this Anti-Corruption Policy (the “Policy”). This Policy supplements Jaguar’s Code of Conduct and Ethics (the “Ethics Code”). It is important that Jaguar and its subsidiaries respect all international and local anti-corruption laws, even where the perception is that such standards are loosely enforced by local authorities. Corrupt acts could expose Jaguar and its directors, officers and employees to the risk of prosecution, fines and imprisonment in Brazil, Canada and other countries where we do business. In addition, non-compliance threatens Jaguar’s reputation, which plays a critical role in our success as a business.

2. PURPOSE

The objective of this Policy is to provide guidance and procedures to ensure that Jaguar conducts business in an honest and ethical manner, including when dealing with public officials and all other parties, and in compliance with all applicable Brazilian, Canadian and other local laws and regulations pertaining to bribery and corruption.

The purpose of the Anti-Corruption Policy is to:

- set out the Company’s responsibilities, and the responsibilities of those working for or with the Company in observing and upholding the Company’s position on bribery and corruption;
- ensure that the Company has adequate procedures in place to prevent and detect bribery and corruption;
- provide information and guidance to those working for or with the Company on how to recognize and deal with potential bribery and corruption issues; and
- protect the Company against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

This policy is based on the Corruption Practices Act Abroad ("FCPA" - USA), the Corruption of Foreign Public Officials Act ("CFPOA" - Canada), the Extractive Sector Transparency Measures Act ("ESTMA" – Canada), Law No. 12,846 of August 1, 2013 ("Brazilian Anti-Corruption Law"), and all other laws applicable to anti-corruption and anti-bribery in all jurisdictions in which the Company operates or is active.

3. APPLICABILITY/SCOPE

This policy applies to the directors, officers, employees (whether permanent, fixed-term or temporary) of the Company, as well as to business associates, partners, agents, contractors, technical and other consultants, agents or any other person associated with or acting on behalf of the Company wherever located, (collectively referred to as “Representatives” in this policy).



4. POLICY REQUIREMENTS

This policy supplements the Company's Code of Conduct and Ethics, its other policies and all applicable laws and provides guidelines for compliance with the anti-corruption and anti-bribery laws and best practices applicable to the Company's operations. This policy is not intended to supplant any applicable laws.

It is important to remember that regardless of whether the country in which an act of bribery takes place has enacted anti-bribery laws which prohibit the relevant action, the CFPOA, the FCPA, the Brazilian Anti-Corruption Law, ESTMA, and similar statutes in other jurisdictions have extra-territorial application, in some cases even if such conduct is specifically permitted or condoned by the local laws of a particular jurisdiction. Although penalties may differ across the different jurisdictions in which the Company operates, bribery (or even the perception or an allegation of it):

- will damage the Company's reputation; and/or
- could cost the Company significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties imposed upon individual members of the Company including imprisonment and fines.

The Company is committed to:

- Upholding anti-corruption and anti-bribery laws that apply to the Company, including, without limitation, the CFPOA, the FCPA and the Brazilian Anti-Corruption Law;
- Not offering bribes or condoning the offering of bribes on the Company's behalf;
- Making sure that the Company's Representatives (as defined below) and others with whom the Company deals are aware of and abide by the Company's values and policies;
- Avoiding doing business with or affiliating the Company with others who do not accept the Company's values and policies and who may harm the Company's reputation; and
- Ongoing monitoring of and auditing compliance with these principles.

5. ROLES AND RESPONSIBILITIES

The Board of Directors is ultimately responsible for this Policy and has appointed the Audit and Process Manager ("Audit Manager") to oversee the administration of this Policy and report directly to the Audit and Risk Committee of the Board ("Audit Committee"). Reports on noncompliance with this policy may be reported through the following website: jaguarmining.com.br/denuncia or www.ethicspoint.com.

Questions should be put first to the CFO, and based on his recommendation the CEO must sign off. In this context, the Audit Manager would act in an advisory capacity but never as an approver.

The External Legal Counsel will be responsible for ensuring that all annual certifications are obtained on or before the end of the first fiscal quarter of each year,



and for providing confirmation to the Board of Directors that such certifications have been obtained and summarizing the results thereof.

All Representatives are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

This policy may be amended at any time.

All Representatives must ensure that they have read, understood and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all Representatives. All Representatives are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You may notify Internal Audit or file a report through the website as soon as possible, if you believe or suspect that a breach of this policy has occurred, or may occur in the future. "Red flags" that may indicate bribery or corruption are set out in Schedule A hereto.

Any employee, officer or director of the Company who breaches this policy will face disciplinary action and any employee, officer or director of the Company who has direct knowledge of potential violations of this policy but fails to report such potential violations to Company management will be subject to disciplinary action. Any third party agent who breaches the terms of this policy, who knows of and fails to report to the Company's management potential violations of this policy, or who misleads investigators making inquiries into potential violations of this policy, may have their contracts re-evaluated or terminated.

6. DEFINITIONS

Jaguar: means Jaguar Mining Inc. and all of its subsidiaries.

Employees: means directors, officers, employees and contract workers of Jaguar.

Covered Third Parties: means all contractors, partners, agents, consultants, suppliers, advisors, service providers and other third parties who interact with public officials on Jaguar's behalf.

Covered third parties: means all contractors, partners, agents, consultants, advisors, service providers and other third parties on Jaguar's behalf including Covered Third Parties.

Payment of Facilitation: Payments to an individual, public agent or not, even if by intermediary, to accelerate or guarantee the execution of an act under his responsibility to which Jaguar is legally entitled.

Representatives: someone who speaks or does something officially for another person or group of people, in this case, for Jaguar



7. BRIBERY AND CORRUPTION

Corruption is the misuse of power by public officials or other parties for illegitimate private gain. Bribery is the most common form of corruption and can be broadly defined as the offering, promise, gift, acceptance or soliciting of an inducement or reward, loan, advantage or benefit of any kind to a person in a position of trust or power (including a “public official”) to influence that person’s views or conduct or to obtain an improper advantage.

An “improper advantage” is obtained where the Company is placed in a better position (financial, economic, or reputational, or in any other way which is beneficial) than its competitors or than it would otherwise have been, had the bribery or corruption not taken place, including, without limitation, where a public official will perform an act or will make an omission in connection with the performance of his or her duties or functions, or where a public official will use his or her position to influence any acts or decisions of a state or public international organization, in order for the Company to obtain an advantage.

There are various forms of bribery, for example:

- cash or non-cash gifts;
- lavish entertainment or hospitality;
- a contract on terms that would not be reasonable in the context of a commercial arms’ length transaction;
- employment or “consulting” relationships of a third party or relative thereof;
- loans;
- kickbacks;
- political contributions or charitable contributions;
- social benefits;
- gifts, travel, hospitality, and reimbursement of expenses; or other reward or benefit.

It is important to remember that it is irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.

i. What is not permitted?

Bribery and corruption can take many forms and it is important to understand what is expected in this regard.

It is not permitted for any employee or Covered Third Party (or a third party acting on the Company’s behalf or with whom the Company has otherwise contracted or dealt with) to:

- Give, promise to give, or offer, a payment, loan, reward, gift or hospitality, to a public official with the expectation or hope that an improper business advantage will be received, or to reward an improper business advantage already given;

- Give, promise to give, or offer, a payment, loan, reward, gift or hospitality to a public official to “facilitate” or expedite a routine procedure performed by a government body or NGO (non-governmental organization);
- Make or authorize cash or cash equivalent (e.g. cheque) reimbursements or payments of any kind to individual public officials without prior written authorization from the Chief Financial Officer;
- Threaten or retaliate against any person who has refused to commit a bribery offence or who has raised concerns under this policy;
- Write a cheque to “cash” or “bearer”;
- Receive, or be promised or offered receipt of, a payment, loan, reward, gift or lavish hospitality from a third party seeking to obtain an improper business advantage, or to reward an improper business advantage previously given; or
- Engage in any activity that might lead to a breach of this policy.

In addition to the guidance on specific issues set out below, it may be helpful to consider the following questions before giving or offering something in the course of acting on behalf of, or in association with, the Company. If the answer to any of these questions is “yes” or “I don’t know” then the act could be viewed as, a bribe and must be reported to the Audit Manager:

- Am I doing this to try to improperly influence a decision someone is going to make?
- Do I feel that I cannot openly record this in the Company’s books and records?
- Does the person who I am giving or offering this to want it to be kept a secret?
- If this became public information, could it harm the reputation of the Company?
- If the other person accepts this, will they feel obligated to do something in return?
- Is this against law?

ii. Who are Public Officials?

Laws prohibiting bribery and corruption typically define public officials broadly to include any appointed, elected, or honorary official or any career employee of a government, of a government owned or controlled company, or of a public international organization. The definition encompasses officials in all branches and at all levels of government: federal, state or local. The definition also includes political parties and party officials and candidates for political office. A person does not cease to be a public official by purporting to act in a private capacity or by the fact that he or she serves without compensation. Below are just a few examples of public officials relevant to Jaguar’s business:

- Government ministers and their staff;
- Members of legislative bodies;
- Judges and ambassadors;
- Officials or employees of government departments and agencies including customs, immigration, environment, mines and energy and other regulatory agencies;



- Employees of state-owned mining companies, or other government-owned or controlled corporations;
- Military and police personnel;
- Political party officials and candidates for political office;
- Mayors, councilors or other members of local government; and
- Employees of public international organizations such as the International Finance Corporation.

If you are not sure whether a particular person is a public official, please contact the Audit Manager for further guidance. Benefits to close relatives of public officials, such as spouses, children, parents or siblings, may be treated by enforcement authorities as benefits to a public official and, accordingly, may constitute violations of anti-bribery laws. Accordingly, Jaguar treats close relatives of public officials as public officials unless determined otherwise by the Audit Manager. Any gifts or entertainment involving a close relative of a public official must comply with this Policy. You must also consult with the Audit Manager before entering into any contract or transaction with a close relative of a public official or a company owned or controlled by a close relative of a public official.

iii. Relationship with agents and public entities

All relationships with government and non-governmental agents and / or entities must be duly recorded and documented, especially in the process of obtaining permits and any type of authorizations conducted by public entities. Each department that has a routine relationship with these entities, should keep records of agendas and meetings (minutes / guidelines / emails / communications / alike).

Additionally, any meeting with public and governmental organs and / or servants must be held with at least two members of each party. For these situations, meeting minutes should also be written with the content of the meetings, as well as be signed by the participants.

iv. Facilitation payments and kickbacks

The Company does not make facilitation payments or “kickbacks” of any kind, regardless of whether such payments are permitted under applicable law.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a public official (such as the issuance of permits, licenses, processing visas or work permits, provision of mail pick-up and delivery etc.). Kickbacks are typically payments made in return for a business favor or advantage and can include discounts or other types of cash incentives.



All Representatives must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made by, on behalf of, or otherwise in connection with the business of or for the benefit of the Company.

To avoid unforeseen risk of mischaracterization, if asked to make a payment on the Company's behalf, always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Always obtain a receipt which details the reason for the payment and evidences that the payment went directly to the appropriate payee who provided the goods or services. Any suspicions, concerns or queries regarding a payment should be raised in accordance with the procedures set out in the Whistleblower Policy or as established from time to time by the Audit Committee.

v. Gifts and hospitality

The provision of gifts or other benefits to a public official may be considered to be a bribe and, as a result, is prohibited.

In appropriate circumstances and if the CEO deems it necessary and pre-approves in writing, reasonable gifts may be provided to a public official, but only if: (i) there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract; (ii) it is consistent with normal social or business customs in the official's country and with Jaguar or the appropriate subsidiary's own business practices; (iii) it is provided in a transparent and open manner; (iv) the cost is reasonable; and (v) it does not create a sense of obligation on the part of the recipient. Gifts in the form of cash, stock or other negotiable instruments must never be given.

Any gift to a public official must be accurately accounted for and described in Jaguar's records. The description should identify the nature of the gift, its value, the date it was given and the identity of the recipient.

vi. Entertainment Of Public Officials

The provision of extravagant entertainment for the purpose of obtaining or retaining business or improperly influencing some matter in favour of Jaguar, may be considered to be a bribe and may result in violation of anti-corruption laws. Accordingly, Jaguar prohibits providing, directly or indirectly, entertainment, meals or other any benefit of any kind to a public official on a scale that might be perceived as creating an obligation on that official.

In appropriate circumstances, reasonable meals, entertainment or other normal business hospitality may be provided to a public official, but only if:

- it is directly connected to a legitimate business promotional activity or the performance of an existing contract;
- it is consistent with normal social or business customs in the official's country and with Jaguar's own business practices;



- it is provided in a transparent and open manner;
- the cost is reasonable; and it does not create a sense of obligation on the part of the recipient.

When considering the reasonableness of the expense, employees should consider the frequency with which such expenses are incurred for a particular official. Modest costs frequently incurred can, when aggregated, amount to lavish and potentially improper payments. The pre-approval of the CEO must be obtained for any meal, entertainment or other business hospitality for a public official that is in excess of C\$100 per person. The provision of any meal, entertainment or other business hospitality for a public official must be accurately accounted for and described in Jaguar's records. It must be accounted for in a separate expense report which identifies the type of benefit provided, its value, the date it was provided, and the identity of the recipient.

vii. Payment Of Travel, Expenses And Per Diems For Government Officials

Sometimes, government departments do not have adequate resources to undertake required tasks in connection with the regulation or approval of specific activities. As a result, Jaguar may be asked to provide financial or other support for such activities. Such matters raise special considerations and you must obtain written pre-approval from the CEO before agreeing to provide such support.

In appropriate circumstances, and when required by the government to do so, Jaguar may pay reasonable expenses for government officials. The types of circumstances in which such expenses may be approved are when there is a legitimate business need for Jaguar to pay such expenses, for example:

- in connection with contract negotiation or contract execution; or
- the promotion, demonstration, explanation or inspection of Jaguar's operations.

Such expenses may only be paid where permitted under local law and approved in advance by the CEO in writing. The expenses must be reasonable in amount and directly related to the business purpose. Jaguar will not pay or reimburse travel or other expenses which are predominately for recreation or entertainment, or for an official's spouse or other family members. Per diems or cash allowances shall not be paid to government officials, except with the prior written authorization of the CEO.

Where at all possible, these expenses should be paid directly by Jaguar to the third party service provider and not to the government official.

Any expenses for a government official must be accurately accounted for and described in Jaguar's records. It must be accounted for in a separate expense report, accompanied by supporting documentation, which identifies the type of expenses incurred, their amount, the date provided, and the identity of the recipient.



viii. Charitable contributions and sponsorships

The Company believes in contributing to the communities in which it does business and permits reasonable donations to charities and to other recipients either ad hoc or under a social investment program. However, the Company needs to be certain that donations to charities and other recipients are not disguised as illegal payments to public officials in violation of the CFPOA, the FCPA, ESTMA, the Brazilian Anti-Corruption Law, or other applicable anti-bribery laws. Therefore, before making a donation to a charitable entity/person or a donation under its social development and community relations programs, the following guidelines must be followed:

- The donation should generate publicity or goodwill for the Company and/or demonstrate the Company's commitment to the community, whether local, regional or national;
- The donation must not be related to, dependent on, or made in order to win or influence a business deal or decision;
- The donation must be given directly to the relevant charity or organization and not to an individual;
- A written request describing the charity, including the name of persons contacted and attaching any supporting documentation, should be submitted to the CFO;
- Before authorizing any payment to a charity, the Company should confirm that the relevant charity is in fact a bona fide organization and not an entity controlled by or for the benefit of a Public Official; ;
- The donation must be in compliance with Jaguar's Donation Policy;
- If applicable, the donation must be included in the Company's annual ESTMA reporting (if in doubt, contact the Corporate Controller in Canada).

ix. Political donations

The Company or Company representatives must not make any contributions to public officials or agents, politicians or political parties, except in accordance with the standards reflected in the law, the Donation Policy and with the written authorization of the CEO.

In undertaking any political activity that is not authorized by this policy or other policies of the Company, all representatives will be deemed to be acting in their personal capacity or that of their own corporate organization and not on behalf of the Company.

8. RETAINING THIRD PARTIES

As previously defined, a "Covered Third Party" means all contractors, partners, agents, suppliers, consultants, service providers, contractual counterparties and other third parties who interact with government officials on Jaguar's behalf.

i. Due Diligence on Covered Third Parties



Prior to entering into a business relationship with a Covered Third Party, employees shall report the potential engagement in writing to the CFO. No Covered Third Party may be engaged without the pre-approval of the CFO.

The CFO will direct due diligence on the Covered Third Party that addresses the qualifications of the Covered Third Party, the services the Covered Third Party will provide, the compensation Jaguar will provide, the basis for believing that compensation is reasonable and information, as appropriate, regarding the Covered Third Party's character, reputation and history of conducting business in an ethical and legal manner that is consistent with this Policy. The process and extent of due diligence to be performed depends on the circumstances and will be determined by the CFO. After completing due diligence as appropriate, a written summary of the due diligence findings should be recorded. At a minimum, documentation obtained through due diligence should be preserved.

In all cases, employees shall also use best efforts to ensure that any Covered Third Party: (i) is not a government official or does not employ, subcontract with or have a material shareholder that is a government official; (ii) does not have a history or demonstrated tendency towards bribery or corruption; (iii) performs the required services in compliance with this Policy and applicable local laws; and (iv) is compensated at a level that is reasonable, given their experience, the country where their services are to be performed, the expected results and the amount and difficulty of the work to be performed.

ii. Contracts with Covered Third Parties

Jaguar shall only retain a Covered Third Party using a written agreement that defines the scope of the relationship and the compensation terms. All agreements with Covered Third Parties shall include a provision that they must at all times abide by this Policy (or, at the discretion of the CEO, the Covered Third Party's own anti-corruption policy) and all applicable anti-corruption and anti-bribery laws. Additionally, all agreements should:

- give Jaguar the right to audit the books and records of the Covered Third Party if Jaguar has reason to believe that a breach of any applicable anti-corruption and anti-bribery law has occurred or is likely to occur; and
- provide that Jaguar has grounds to terminate the agreement if it has reasonable cause to believe that the Covered Third Party is violating or has violated any applicable anti-corruption or anti-bribery law.

iii. Managing Covered Third Parties

Jaguar shall take reasonable measures to maintain a record of the names and contract terms for all Covered Third Parties.



Any payment made to any Covered Third Party must not represent more than the amount specified in the written agreement with the Covered Third Party and must be appropriate remuneration for the legitimate services rendered.

Periodically, or at least when a major contract with a Covered Third Party is being renewed or updated, the CEO will be asked to reassess whether any further due diligence should be performed on the Covered Third Party based on current circumstances. Covered Third Party contracts must not be renewed without the approval of the CEO.

9. RISK MANAGEMENT OF FRAUD AND CORRUPTION

Enterprise Risk Management enables managers to effectively address the uncertainties, risks, and opportunities associated with them in order to improve their ability to generate value.

At Jaguar, enterprise risk management is a mechanism performed at a strategic level. The Internal Audit, Risk and Compliance Department support management and the Audit and Risk Committee in monitoring the risks of compliance related to fraud and corruption.

The risks are classified into four distinct groups: strategic, operational, financial and compliance.

The Board of Directors (Board), assisted by the Audit Committee, is responsible for defining the Company's risk appetite and monitoring corporate risk management. Quarterly, follow-up updates are conducted and presented at the meetings of the Audit Committee.

10. INTERNAL CONTROLS

Management of Jaguar and each subsidiary shall maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain ethical standards throughout Jaguar.

11. RECORD-KEEPING

The Company must keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to Third Parties.

Representatives must ensure that all expense claims relating to hospitality, gifts, or expenses incurred are submitted in accordance with the Company's expense policy and specifically record the reason for the expenditure.

All accounts, invoices, and other similar documents and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and



completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

For ESTMA reporting purposes, all reportable payments to a payee (defined as (i) any government, comprising federal, provincial, state, regional, municipal, and Indigenous governments, among others, in Canada or abroad; (ii) a body established by two or more governments; or (iii) any trust, board, commission, corporation, body, or authority that exercises a function, power, or duty of any government in Canada or abroad) relating to the commercial development of oil, gas, or minerals and totaling at least C\$100,000 in one of the following payment categories in any fiscal year must be included in the Company’s annual report filed with the Canadian federal Ministry of Natural Resources and placed on the Company’s website within 150 days of its financial year-end:

- Taxes, other than consumption taxes and personal income taxes;
- Royalties;
- Fees, including rental fees, entry fees, and regulatory charges as well as fees or other consideration for licenses, permits, or concessions;
- Production entitlements;
- Bonuses, including signature, discovery, and production bonuses;
- Dividends other than dividends paid as ordinary shareholders;
- Infrastructure improvement payments; or
- Any other prescribed category of payment.

12. RAISING CONCERNs

If you have concerns about any issue or suspicion of malpractice, even at an early stage, you must report them to the Audit Manager or through the Whistleblower hotline. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with Internal Audit.

In addition to this Policy, all employees and contractors must comply with the laws, regulations and rules of the jurisdiction where they carry out their business duties for Jaguar, including anti-corruption and anti-bribery laws. Where uncertainty or ambiguity exists, a query should be sent to the Audit Manager to clarify such matter in accordance with section this Policy.

i. Avoiding Bribery Of Non-Government Personnel

While much of the focus of this Policy is on avoiding bribery and corruption relating to government officials, bribery of non-government personnel (such as employees of private business, union officials and first nations) is also illegal. Therefore, employees and contractors are strictly prohibited from offering, paying, promising or authorizing any bribe to anyone else, directly or indirectly or through a third party or family member, regardless of whether or not they are a government official, including but not limited to non-government organizations, union officials, contractors, suppliers or community leaders.



However, this Policy is not intended to discourage reasonable relationship building expenses for non-government personnel, so long as:

- it is consistent with normal business customs in the host and recipient's country;
- it is provided in a transparent and open manner;
- the cost is reasonable;
- it is for a legitimate Jaguar business reason; and
- it does not create a sense of obligation on the part of the recipient.

Gifts in the form of cash, stock or other negotiable instruments must never be given.

ii. No Acceptance of Bribes or other Substantial Gifts by Employees or Contractors

Jaguar expects employees to place its interest in any business transaction ahead of any personal interest or gain. Employees are expected to avoid situations where personal interests could conflict with the interests of Jaguar.

Employees and contractors are not permitted to accept substantial gifts from government or non-government parties which could influence their ability to exercise objective and independent business judgment. Unsolicited and non-recurring hospitality and gifts of nominal value may be accepted provided the hospitality or gift is customary and business related. Nominal hospitality means entertainment, meals or social activities that are within normal business practices and nominal gifts means gifts having a value of US\$100 or less and within normal business practices. Employees and contractors in the context of providing services to Jaguar may not accept cash or gifts having monetary value (for example, gift certificates, services, loans).

What To Do In The Event Of A Request or Demand For, Or Offer Of, A Bribe

If anyone requests, demands or offers a bribe, you should politely turn it down and make a record of the request, demand or offer as soon as possible. The record should be marked "confidential" and promptly provided to the Audit Manager, reported through the website or CEO so that they can advise regarding the appropriate next steps.

iii. Exigent Circumstances

Nothing in this Policy prohibits the making of payments in cash or in kind to government officials when life, safety, or health is at risk. Employees and contractors are permitted to make a payment to avoid subjecting himself or herself to a health or safety risk. Protection of property is generally not an exigent circumstance. The making of such a payment in exigent circumstances should be reported to the CEO as soon as possible after the payment is made. Such payments must be accurately recorded and identified in expense reports and other books and records and the circumstances surrounding such payments must be explained to the CEO.

iv. Protection



Representatives who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Company is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform Internal Audit immediately. If the matter is not remedied, and you are an employee, you should raise it formally with your supervisor and, if necessary, with the CEO. Alternatively, concerns may also be raised through the Company's confidential ethics reporting processes outlined in its Code of Conduct and Ethics and its Whistleblower Policy.

The delivery of any data or information to the Company will be handled in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA). The Company would like you to acknowledge that your consent is given to incorporate and process personal data in the file ownership and responsibility of Jaguar Mining Inc. for the development and the functioning of the Anti-Corruption policy program.

13. TRAINING

Training on this policy forms part of the induction process for all new employees, officers and directors. All employees, officers and directors will receive regular, relevant training on how to implement and adhere to this policy. All Representatives will be informed whenever significant changes are made to this policy.

14. COMMUNICATION OF THE POLICY

All employees and contractors shall be informed of this Policy. Copies of this Policy will be provided to employees directly and will also be made available by posting the Policy on Jaguar's website at www.jaguarmining.com. All employees and contractors will be informed whenever significant changes are made.

15. MONITORING AND REVIEW

The Audit Manager will monitor the effectiveness and review the implementation of this policy and report to the Audit and Risk Committee annually, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The Audit Manager or the CEO will report any non-compliance with this policy to the Audit Committee. Audits of the Company's sites, operating units, and contractors may



be conducted periodically to ensure that the requirements of this policy and applicable procedures and guidelines are being met. Audits may be conducted internally by the Company, or externally by retained third parties. Audit documentation shall include performance improvement action plans.

Any report of solicitations to engage in a prohibited act or possible violation of the policy will be investigated initially by Internal Audit. Where the matter is deemed potentially serious it will be promptly reported to the CEO, the Chairman of the Audit Committee, and where appropriate, to the Chairman of the Board of Directors, and the following procedure will be followed:

- Internal Audit will record the report and establish an investigative file. In the case of an oral report, the Internal Audit will prepare a written summary.
- The Chairman of the Audit Committee will promptly commission the conduct of an investigation. At the election of the Chairman of the Audit Committee, the investigation may be conducted by the Audit Manager or other Company personnel, or by outside counsel, accountants or other persons employed by the Chairman of the Audit Committee. The investigation will document all relevant facts, including persons involved, times and dates. At their discretion, the Chief Financial Officer or the Chairman of the Audit Committee may advise the Board.
- The identity of a person filing a report will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order.
- On completion of the investigation, a written investigative report will be provided by the persons employed to conduct the investigation to the CEO and the Chairman of the Audit Committee. If the investigation has documented unlawful, illegal or other questionable conduct, the CEO or the Chairman of the Audit Committee will advise the Board of Directors of the matter.
- If any unlawful, illegal or other questionable conduct is discovered, the CEO shall cause to be taken such remedial action as the Board of Directors deems appropriate under the circumstances to achieve compliance with the policy and applicable law, and to otherwise remedy any unlawful, illegal or other questionable conduct. The persons employed to conduct the investigation shall prepare, or cause to be prepared, a written summary of the remedial action taken.
- In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report shall be retained along with the original report by the Internal Audit.

16. EXCEPTIONS AND VIOLATIONS

Exceptions to this policy are not acceptable. Jaguar expects all employees and contractors to take steps to prevent a violation of this Policy. This includes identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary.



Employees who become aware of a violation of this Policy must promptly report the matter to the Audit Manager. If an employee reports the matter to a supervisor, that supervisor must immediately communicate the information to the Audit Manager. Employees who raise genuine concerns will not be subject to retaliation or disciplinary action. Retaliation by anyone as a consequence of making a good faith report of a possible violation of the law or this Policy is strictly prohibited and will result in disciplinary action, which may include termination. Where an employee does not want to report the suspicious activity to the supervisor or directly to the Audit Manager, then a report can be made anonymously through whistleblower hotline.

The Audit Manager shall report all violations or potential violations of this Policy or applicable anti-corruption and anti-bribery laws to the Audit Committee, and the Audit Committee in consultation with the Audit Manager shall determine the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved.

i. Consequences of Non-Compliance with Policy

In the case of Employees, failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment with cause or consulting arrangements without notice and without compensation where permissible under applicable laws. Violation of this Policy may also violate Jaguar's Code of Business Conduct and Ethics and applicable laws. If it appears that an employee may have violated such laws, Jaguar may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In the case of contractors, violation of this Policy may result in termination of a contract without notice, or such other measures that are available at law.

17. MAINTENANCE AND REVIEW

The Anti-Corruption Policy should be reviewed in its entirety at least every two years.

APPENDIX:**SCHEDULE “A”****Potential Risk Scenarios: “Red Flags”**

The following is a list of possible red flags that may arise during the course of any Representative (as defined in the Anti-Corruption Policy) working for, on behalf of or in association with the Company, and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for, on behalf of or in association with the Company, you must promptly report them to Internal Audit or, alternatively, via the Company’s confidential ethics reporting processes outlined in its Code of Business Conduct and Ethics and its Whistleblower Policy.

- you become aware that a third party has a poor reputation and/or engages in, or has been accused of engaging in, improper business practices;
- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;

A third party:

- insists on receiving a commission or fee payment before committing to sign a contract with the Company, or carrying out a government function or process for the Company;
- requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- requests an unexpected additional fee or commission to “facilitate” a service;
- demands lavish entertainment or gifts before commencing or continuing negotiations or discussions on a matter;
- requests that a payment is made to “overlook” potential legal violations;
- requests that you provide employment or some other advantage to a friend or relative;
- requests that you enter into a contract; or
- has unexplained preferences for certain sub-contractors;
- you learn that a colleague has been taking out a particular public official for very expensive and frequent meals;
- you receive an invoice from a third party that appears to be non-standard or customized;
- you notice that the Company has been invoiced for a commission or fee payment that appears large or small given the service stated to have been provided;
- you notice the establishment of unusual or unexplained bank accounts or funds;
- the country in question is known for bribery or there have been regular media reports of bribery in such country; or
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company.



SCHEDULE "B"

CERTIFICATE OF COMPLIANCE

Reference is made to the anti-corruption policy adopted by the Board of Directors of Jaguar Mining Inc. ("Jaguar") (the "Policy").

In accordance with the Policy, I, _____, hereby certify, represent and warrant to Jaguar and its subsidiaries as follows (check each applicable box):

- I have reviewed the Policy within the last twelve months, and understand its terms and requirements.
- I have not violated any of the terms or requirements of the Policy.
- I am not aware of any violation or potential violation of the Policy by any employee or Covered Third Party, as such terms are defined in the Policy.
- I am not aware of any violation or potential violation of anti-corruption laws by any employee or Covered Third Party, as such terms are defined in the Policy.

In the event you are unable to check the second, third, or fourth box, please provide details of any violation or potential violation of the Policy or anti-corruption laws that you are aware of:

Dated this ____ day of ____ , 20 ____ .

Signature Print Name

[Append additional pages if necessary]