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FOR IMMEDIATE RELEASE

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Jaguar Announces Successful Recommissioning of Mill #3 at Turmalina Gold Mine

Toronto, Canada, January 5, 2017 - Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) is pleased to announce the successful recommissioning of Mill #3 at its Turmalina Gold Mine ("Turmalina"), in Minas Gerais, Brazil.

The reconstruction of Mill #3 commenced in April 2016, at a total estimated capital cost of US\$1.34 million (approximately R\$5.09 million), funded from operating cash flow. Mill #3 was fully commissioned on December 28, 2016 with an estimated installed capacity of 1,600 tonnes per day or 580,000 tonnes per year.

Turmalina is expected to process 533,000 tonnes of ore in 2017. Using only Mill #3, Turmalina will be able to achieve the entire through-put capacity of the plant with a lower operating cost, through electricity consumption savings, compared to using both Mill #1 and Mill #2 in 2016. Currently Mill #1 and Mill #2 at Turmalina have been taken off-line for maintenance and will be kept on standby mode. The reconstruction of Mill #3 will allow the processing plant to be run at a full capacity of 2,000 tonnes per day or approximately 720,000 tonnes per year in future years using a combination of mills.

Rodney Lamond, President and Chief Executive Officer of Jaguar, stated: *"Jaguar has achieved another significant milestone with the recommissioning of Mill #3, which will increase daily processing capacity of the plant to 2,000 tonnes per day. We expect that the increase in process tonnage and lower operating costs for Mill #3 will positively impact Turmalina's unitary costs. Mill #1 and Mill #2 are being reviewed for maintenance and will be kept on stand-by as a part of Turmalina's long-term, organic growth strategy, and other opportunities in the Iron Quadrangle."*

The Iron Quadrangle

The Iron Quadrangle has been an area of mineral exploration for centuries, dating back to the 16th century. The discovery in 1699-1701 of black gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town Ouro Preto (Black Gold). The Iron Quadrangle contains world-class multi-million ounce gold deposits such as Morro Velho, Cuiabá and São Bento. Jaguar holds the second largest gold land position in the Iron Quadrangle with just over 25,000 hectares.

About Jaguar Mining Inc.

Jaguar Mining Inc. is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with three gold mining complexes, and a large land package with significant upside exploration potential from mineral claims covering an area of approximately 191,000 hectares. The Company's principal operating assets are located in the Iron Quadrangle, a prolific greenstone belt in the state of Minas Gerais and include the Turmalina Gold Mine Complex ("Mineração Turmalina Ltda" or "MTL") and Caeté Gold Mine Complex ("Mineracao Serras do Oeste Ltda" or "MSOL") which combined produce more than 90,000 ounces of gold annually. The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. Additional information is available on the Company's website at www.jaguarmining.com.

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FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information contained in forward-looking statements can be identified by the use of words such as "are expected", "is forecast", "is targeted", "approximately", "plans", "anticipates" "projects", "anticipates", "continue", "estimate", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. This press release contains forward-looking information regarding the operations at Turmalina. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the expected production at Turmalina during 2017 and in future years and cash operating costs. Forward-looking information involves a number of known and unknown risks and uncertainties, which, if incorrect, may cause actual results to differ materially from those anticipated by the Company and described herein. Accordingly, readers should not place undue reliance on forward-looking information.

For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this press release, see the Company's most recent annual information form and management's discussion and analysis, as well as other public disclosure documents that can be accessed under the issuer profile of "Jaguar Mining Inc." on SEDAR at www.sedar.com. The forward-looking information set forth herein reflects the Company's reasonable expectations as at the date of this press release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.