



PRESS RELEASE

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For Immediate Release

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JAGUAR MINING ANNOUNCES CLOSING OF US\$21,500,000 PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES

Toronto, Ontario, Canada – October 28, 2015 – Jaguar Mining Inc. ("Jaguar" or the "Corporation") (TSX-V: JAG) is pleased to announce an over-subscribed closing of its previously announced non-brokered private placement (the "Offering") of convertible senior secured debentures ("Debentures"). Pursuant to the Offering, the Corporation raised aggregate gross proceeds of US\$21,500,000, of which approximately US\$8.4 million were paid to Renvest Global Resources Fund c/o Renvest Mercantile Bancorp Inc. to transfer its interest in its credit facility with the Corporation to the investors in the Offering, which facility was amended and restated under the indenture governing the Debentures. The Corporation plans to use the remainder of the proceeds of the Offering for general corporate purposes and to advance asset optimization plans in conjunction with the Corporation's ongoing development and production activities at its Brazilian mines.

The Debentures bear interest at a rate of 12% per annum, payable in cash on a quarterly basis and are convertible at the holder's option into common shares of the Corporation ("Common Shares") at a price of C\$0.15 per Common Share (the "Conversion Price"), being a ratio of approximately 8,781 Common Shares per US\$1,000 principal amount of Debentures, based on an exchange rate of US\$0.7592 per C\$1.00. The Debentures mature on October 27, 2018.

The Debentures will not be redeemable before the day that is 12 months plus one day after the closing date of the Offering (the "Call Date"). With 30 days written notice, on and after the Call Date and prior to the maturity date of the Debentures, the Debentures will be redeemable in cash in whole or in part from time to time at the Corporation's option at a price of: (i) 120% of the principal amount of the Debentures outstanding within year one after the Call Date, and (ii) 110% thereafter, plus, in each case, any accrued and unpaid interest thereon.

The Debentures are governed by an indenture containing provisions and covenants including, but not limited to, further indebtedness and restricted payments. A copy of the indenture will be filed by the Corporation on SEDAR and will be available for review under the Corporation's issuer profile on SEDAR at www.sedar.com.

Pursuant to the Offering, certain insiders of Jaguar, namely Outrider Management, LLC ("Outrider Management") and Dupont Capital Management Corp. ("Dupont Capital"), subscribed for Debentures in the aggregate principal amounts of US\$5,350,000 and US\$1,500,000, respectively.

The special committee of the board of directors of Jaguar, which was established in December 2014 to initiate a strategic review process and explore strategic alternatives with the objective of maximizing value for the Corporation's shareholders, unanimously passed a resolution approving the Offering, including the subscriptions of Outrider Management (the "Outrider Subscription") and Dupont Capital (the "Dupont Subscription").

Since Outrider Management and Dupont Capital are "related parties" (within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101")), each of the Outrider Subscription and the Dupont Subscription was a "related party transaction" (within the meaning of MI 61-101), which would have required Jaguar to obtain a formal valuation for, and minority approval of, the Outrider Subscription and the Dupont Subscription, in the absence of exemptions for such requirements.

For both the Outrider Subscription and the Dupont Subscription, the Corporation was exempt from the formal valuation requirement pursuant to section 5.5(b) of MI 61-101 on the basis that no securities of Jaguar are listed or quoted on a market specified in that provision.

With respect to the Dupont Subscription, the Corporation was exempt from the minority approval requirement pursuant to section 5.7(b) of MI 61-101 on the basis that neither the fair market value of the Debentures being distributed to Dupont Capital, nor the consideration to be received by the Corporation for those Debentures, exceeded C\$2,500,000, in addition to satisfying the other criteria therein. With respect to the Outrider Subscription, Jaguar applied to the Ontario Securities Commission and the TSX Venture Exchange (the "TSXV") for an exemption to allow it to obtain the requisite minority approval by way of written approval from the majority of the minority shareholders rather than by holding a shareholders' meeting. This exemption was sought on the basis that holding a shareholders' meeting is costly and would delay the closing of the Offering. Jaguar obtained exemptive relief from the Ontario Securities Commission in respect of the minority approval requirements and obtained the consent of a majority of the disinterested shareholders of the Corporation by way of written consent.

Further to the Corporation's news releases dated October 14, 2015 and October 20, 2015, the Corporation also obtained the approval of the majority of the disinterested shareholders of the Corporation in respect of subscriptions by two subscribers who, upon conversion of the Debentures they purchased under the Offering, could become "control persons" of the Corporation, within the meaning of the Corporate Finance Manual of the TSXV. The Corporation

obtained such shareholder approvals by way of written consent in accordance with the policies of the TSXV.

In connection with the Offering, the Corporation paid a cash finder's fee to Origin Merchant Securities Inc. and Pollitt & Co. Inc. of 3.5% of the total proceeds raised in the Offering from subscriptions from purchasers introduced to the Offering, and finder warrants ("Finder Warrants") to purchase such number of Common Shares as is equal to up to 3.5% of the total number of Common Shares issuable on conversion of the Debentures issued to purchasers introduced to the Offering. The Finder Warrants have an exercise price of \$0.15 per Common Share and expire on October 27, 2018. An aggregate of 6,607,833 Finder Warrants were issued in connection with the Offering.

The Debentures, the Common Shares underlying the Debentures and the Finder Warrants are subject to a four month hold period pursuant to applicable Canadian securities laws.

DuPont Early Warning Disclosure

On October 27, 2015, DuPont Pension Trust ("DuPont") acquired ownership and control of US\$1,500,000 principal amount of Debentures, which are convertible into Common Shares at the Conversion Price.

DuPont has advised Jaguar that, at present, it also owns and controls 12,037,763 Common Shares, representing approximately 10.8% of the currently issued and outstanding Common Shares (being 111,136,038 Common Shares).

In the event that all Debentures owned by DuPont were converted (and assuming an exchange rate of US\$1 – C\$0.7592), DuPont would have ownership and control of an additional 13,171,760 Common Shares, representing approximately 10.6% of the currently issued and outstanding Common Shares post-exercise, and ownership and control over a total of 25,209,523 Common Shares, representing approximately 20.3% of the currently issued and outstanding Common Shares post-exercise on a partially diluted basis.

DuPont has advised Jaguar that it acquired the Debentures for investment purposes and has no present intention to acquire further securities of Jaguar, although it may in the future acquire or dispose of securities of Jaguar, through the market, privately or otherwise, as circumstances or market conditions warrant.

A copy of the early warning report required to be filed by DuPont with applicable securities commissions in connection with this acquisition will be filed under Jaguar's profile on SEDAR at www.sedar.com and a copy of the early warning report may also be obtained by contacting William Flores, the Head of Compliance of DuPont, at 1 Righter Parkway, Suite 3200, Wilmington, DE, 19803, telephone: (302) 477-6099.

Outrider Early Warning Disclosure

On October 27, 2015, Outrider Master Fund, LP ("Outrider") acquired ownership and control of US\$5,350,000 principal amount of Debentures, which are convertible into Common Shares at the Conversion Price.

Outrider has advised Jaguar that, at present, it also owns and controls 36,045,291 Common Shares, representing approximately 32.4% of the currently issued and outstanding Common Shares (being 111,136,038 Common Shares).

In the event that all Debentures owned by Outrider were converted (and assuming an exchange rate of US\$1 – C\$0.7592), Outrider would have ownership and control of an additional 46,979,276 Common Shares, representing approximately 29.7% of the currently issued and outstanding Common Shares post-exercise, and ownership and control over a total of 83,024,567 Common Shares, representing approximately 52.5% of the currently issued and outstanding Common Shares post-exercise on a partially diluted basis.

Outrider has advised Jaguar that it acquired the Debentures for investment purposes and has no present intention to acquire further securities of Jaguar, although it may in the future acquire or dispose of securities of Jaguar, through the market, privately or otherwise, as circumstances or market conditions warrant.

A copy of the early warning report required to be filed by Outrider with applicable securities commissions in connection with this acquisition will be filed under Jaguar's profile on SEDAR at www.sedar.com and a copy of the early warning report may also be obtained by contacting Julia Ruthven, the Chief Financial Officer of Outrider, at 1001 Bayhill Drive, Suite 125, San Bruno, CA, 94066, telephone: (650) 238-5850.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

About Jaguar Mining Inc.

Jaguar is a gold producer with mining operations in a prolific greenstone belt in the state of Minas Gerais, Brazil. Additionally, Jaguar wholly owns the large-scale Gurupi Development Project in the state of Maranhão, Brazil. In total, the Corporation owns mineral claims covering an area of approximately 197,000 hectares. Additional information is available on the Corporation's website at www.jaguarmining.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

Derrick Weyrauch
Chief Financial Officer
(416) 628-9601
dweyrauch@jaguarmining.com

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute "Forward-Looking Statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Such statements constitute forward-looking statements (forecasts) under applicable securities laws relating to future events or future performance and, in this news release, include, but are not limited to, comments with respect to (i) the Debentures and the Offering, and (ii) the expected use of proceeds of the Offering. Forward-looking statements can generally be identified by the use of words such as "expected", "forecasted", "targeted", "approximately", "intends", "plans", "anticipates", "projects", "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. In this news release, information contained in forward-looking statements is based on current expectations, estimates and projections that involve a number of known and unknown risks and uncertainties, including among others the uncertainties inherent to capital markets in general, which, if incorrect, may cause actual results to differ materially from those anticipated by Jaguar and described herein.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this news release, see Corporation'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 Jaguar's expectations as at the date of this news release and is subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.