



PRESS RELEASE

March 22, 2010
Concord, New Hampshire

2010-03
JAG - TSX/NYSE

Jaguar Mining Reports Q4 and FY 2009 Earnings

FY 2009 Adjusted Net Income of \$0.37/share and Adjusted Operating Cash Flow of \$41.1 Million

Jaguar Mining Inc. (“Jaguar” or the “Company”) (JAG: TSX/NYSE) reports its financial and operational results for the period ended December 31, 2009. All figures are in U.S. dollars unless otherwise indicated.

FY 2009 Highlights

- Net loss of \$8.0 million or (\$0.10) per basic share and fully diluted share for the year ended December 31, 2009 compared to a net loss of \$4.3 million or (\$0.07) per basic and fully diluted share for the same period in 2008. Adjusted net income for FY 2009, excluding special non-operating and non-recurring charges totaled \$28.0 million or \$0.37 per share (*See Non-GAAP Performance Measures*).
- FY 2009 gold sales rose to 143,698 ounces at an average price of \$979 per ounce yielding revenue of \$140.7 million compared to gold sales of 108,944 ounces at an average price of \$860 per ounce and revenue of \$93.7 million for the same period in 2008.
- FY 2009 gold production totaled 155,102 ounces of gold at an average cash operating cost of \$468 per ounce compared to 115,348 ounces at an average cash operating cost of \$429 per ounce during FY 2008 (see *Non-GAAP Performance Measures*).
- Gross profit for FY 2009 increased to \$42.6 million from \$27.4 million in FY 2008.
- Cash provided by operating activities during FY 2009 totaled \$32.5 million compared to (\$1.4) million during FY 2008. Adjusted cash flow from operating activities for FY 2009 totaled \$41.1 million, excluding special non-operating and certain non-recurring cash charges that do not reflect on-going costs in Jaguar’s operations or administrative costs.
- Invested \$85.5 million in growth projects during FY 2009, down slightly from the \$89.3 million invested in FY 2008.
- Exceeded underground development targets and achieved 14.9 km for FY 2009 and since the inception of the Company to over 45 km.
- On-schedule and on-budget for the construction of the Caeté plant and mines, the Company’s third major project. The Company expects to commission during Q2 2010.

Q4 2009 Highlights

- A Q4 2009 net loss of \$29.4 million or (\$0.36) per basic and fully diluted share compared to a net loss of \$3.4 million or (\$0.05) per basic and fully diluted share in Q4 2008. The Company recognized special and non-recurring charges of \$30.5 million in Q4 2009, including: (a) \$16.9 million for charges related to the repurchase or redemption of all Cdn.\$86.25 million of the Company's then outstanding 10.5% secured notes that were issued pursuant to an indenture in March 2007, which notes were repurchased or redeemed early in November 2009; (b) \$3.5 million to write-down the asset value of the Sabará operation, a non-core facility which has remained idle since August 2009; (c) \$0.8 million of charges related to strategic asset reviews during the year, which management believed did not merit further analysis or an investment; (d) stock compensation expense of \$7.0 million, the largest portion of which was related to the strengthening of the Company's stock value as well as charges associated with changes imposed by Jaguar's Board related to vesting schedules for previous awards; (e) additional depletion related to unconverted resources of \$1.0 million and (f) other charges of \$1.3 million (*See Non-GAAP Performance Measures*).

Excluding these special and non-recurring charges, Jaguar posted an adjusted Q4 2009 net income of \$1.1 million or \$0.01 per share.

- Q4 2009 gold sales rose to 35,944 ounces at an average price of \$1,099 per ounce yielding revenue of \$39.5 million compared to Q4 2008 gold sales of 35,138 ounces at an average price of \$793 per ounce and revenue of \$27.9 million. This represents a 42% increase in gold sales revenue.
- Q4 2009 gold production totaled 39,891 ounces at an average cash operating cost of \$539 per ounce compared to 37,916 ounces at an average cash operating cost of \$396 per ounce during the same period last year, a production increase of 5% (*see Non-GAAP Performance Measures*).
- Q4 2009 gross profit increased to \$10.4 million from \$7.1 million in Q4 2008, a gross profit increase of 46%.
- Q4 2009 cash generated by operating activities totaled \$1.2 million compared to (\$5.5) million in Q4 2008. Excluding the cash portion of the special non-operating and non-recurring charges noted above, which totaled approximately \$8.3 million, adjusted operating cash flow totaled \$9.5 million in Q4 2009.
- Jaguar invested \$32.6 million in growth projects in Q4 2009, up 134% from the \$13.9 million invested in Q4 2008.
- In early-Q4 2009, the Company completed the construction of the Phase I expansion at Turmalina to boost annual gold production capacity at Turmalina from 80,000 ounces per year to 100,000 ounces per year and the mill operated at design levels during the quarter.
- Repurchased all outstanding Cdn.\$86.25 million principal amount of the Company's 10.5% Secured Notes due March 23, 2012.
- Jaguar acquired Mineração Chega Tudo Ltda. ("MCT") from Companhia Nacional de Mineração ("CNM"), an indirect, wholly-owned subsidiary of Kinross Gold Corporation ("Kinross") in Q4 2009 for \$42.5 million, which includes \$3.5 million adjustment to reflect the fair value for accounting purposes on the closing date. Jaguar issued 3,377,354 common shares to satisfy the purchase price of \$39 million. MCT holds the minerals licenses for the Gurupi Project, which the Company is moving forward to develop.

Subsequent to the closing of the MCT transaction, the Company filed a technical resource statement on SEDAR compliant with National Instrument (“NI”) 43-101 for the Gurupi Project, which contains measured and indicated resources of approximately 2.52 million ounces of gold and additional inferred resources of 0.62 million ounces.

A feasibility study for the Gurupi Project was initiated by the Company prior to the closing with Kinross and is scheduled to be completed in early-April 2010.

- As of December 31, 2009 the Company held cash, cash equivalents and short-term investments of approximately \$121.3 million.

Commenting on the 2009 accomplishments, Daniel R. Titcomb, Jaguar’s President and CEO stated, “As we began 2009, given the state of credit, financial and commodity markets, we made some tough decisions. We had placed our Caeté Project on-hold, slashed operating and exploration budgets and trimmed staff to preserve capital. Fortunately, capital markets improved and we were able to raise the funds to re-take the Caeté Project at a critical time and place Jaguar’s production plans back on-track. As the year progressed, our operations continued to perform well and a buoyant gold market allowed us to streamline our capital structure with the elimination of the 10.5% secured notes through funds raised in a convertible offering. The elimination of those secured notes allowed us to regain valuable collateral which we intend to put to work to further grow our asset base.”

Mr. Titcomb added, “During the fourth quarter, our production assets performed as expected, even though sequencing at the mines changed temporarily. The result was lower grade ore was used to feed the mill. Within the next 30 to 45 days, we expect to commission our third major operation at Caeté. Completion of this new project achieves an important step in our plan to reach the mid-tier status within the next 18 months.”

Summary of Key Operating Results

The following is a summary of key operating results.

	Three Months Ended		Year Ended	
	December 31		December 31	
	2009	2008	2009	2008
(unaudited)				
(\$ in 000s, except per share amounts)				
Gold sales	\$ 39,497	\$ 27,874	\$ 140,734	\$ 93,657
Ounces sold	35,944	35,138	143,698	108,944
Average sales price \$ / ounce	1,099	793	979	860
Gross profit	10,363	7,103	42,583	27,354
Net loss	(29,381)	(3,443)	(7,992)	(4,256)
Basic loss per share	(0.36)	(0.05)	(0.10)	(0.07)
Diluted loss per share	(0.36)	(0.05)	(0.10)	(0.07)
Weighted avg. # of shares outstanding - basic	80,738,919	63,982,281	76,410,916	62,908,676
Weighted avg. # of shares outstanding - diluted	80,738,919	63,982,281	76,410,916	62,908,676

Additional details are available in the Company’s filings on SEDAR and EDGAR, including Management’s Discussion and Analysis of Financial Condition and Results of Operations and Interim Consolidated Financial Statements for the period ended December 31, 2009.

Non-GAAP Performance Measures

The Company has included the non-GAAP performance measures discussed below in this press release. These non-GAAP performance measures do not have any standardized meaning prescribed by Canadian GAAP (“GAAP”) and, therefore, may not be comparable to similar measures presented by other companies. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, these non-GAAP measures provide investors with additional information that will better enable them to evaluate the Company’s performance. Accordingly, these Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP.

The Company has included cash operating cost per tonne processed, cash operating cost per ounce processed and cash operating margin per ounce because it believes these figures are a useful indicator of a mine’s performance as they provide: (i) a measure of the mine’s cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and, (iii) an internal benchmark of performance to allow for comparison against other mines. Additionally, the Company has provided Adjusted Net Income and Adjusted Cash Flow information which reflect the elimination of special non-operating and certain non-recurring charges that do not reflect on-going costs in Jaguar’s operations or administrative costs. The definitions for these performance measures and reconciliation of the non-GAAP measures to reported GAAP measures are set out in the following tables.

Adjusted Net Income (\$000s)

	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Net (loss) as reported	\$ (29,381)	\$ (7,992)
Adjustments:		
Note payable redemption	16,902	16,902
Stock based compensation ⁽¹⁾	6,981	11,080
Write-down of Sabará operation	3,522	3,522
Strategic asset review	838	838
Additional depletion related to unconverted resources	963	1,858
Other	1,293	1,763
Adjusted net income	\$ 1,118	\$ 27,971

⁽¹⁾ Stock based compensation excludes \$57 and \$164 from options for the three months and year ended.

Adjusted Cash provided by operating activities
(\$000s)

	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Cash provided by operating activities as reported	\$ 1,189	\$ 31,923
Adjustments:		
Note payable redemption	4,082	4,082
Stock based compensation	3,283	3,283
Additional depletion related to unconverted resources	963	1,858
Adjusted cash provided by operating activities	\$ 9,517	\$ 41,146

Cash Operating Margin per oz of gold	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Average sales price per oz of gold	\$ 1,099	\$ 979
<i>less</i>		
Cost per oz of gold produced	539	468
<i>equals</i>		
Cash operating margin per oz of gold	\$ 560	\$ 511

Summary of Cash Operating Cost per tonne processed	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs per statement of operations ¹	\$ 19,306,000	\$ 70,117,000
Change in inventory ²	2,548,000	2,396,000
Operational cost of gold produced ³	21,854,000	72,513,000
<i>divided by</i>		
Tonnes processed	357,000	1,403,000
<i>equals</i>		
Cost per tonne processed	\$ 61.20	\$ 51.70
Turmalina Cash Operating Cost per tonne processed	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs	\$ 9,291,000	\$ 33,029,000
Change in inventory ²	1,970,000	2,016,000
Operational cost of gold produced ³	11,261,000	35,045,000
<i>divided by</i>		
Tonnes processed	179,000	588,000
<i>equals</i>		
Cost per tonne processed	\$ 63.00	\$ 59.60
Paciência Cash Operating Cost per tonne processed	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs	\$ 10,015,000	\$ 33,667,000
Change in inventory ²	578,000	(612,000)
Operational cost of gold produced ³	10,593,000	33,055,000
<i>divided by</i>		
Tonnes processed	178,000	646,000
<i>equals</i>		
Cost per tonne processed	\$ 59.30	\$ 51.20
Sabar Cash Operating Cost per tonne processed	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production cost	\$ -	\$ 3,421,000
Change in inventory ²	-	992,000
Operational cost of gold produced ³	-	4,413,000
<i>divided by</i>		
Tonnes processed	-	169,000
<i>equals</i>		
Cost per tonne processed	\$ -	\$ 26.10

Summary of Cash Operating Cost per oz of gold produced	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs per statement of operations ¹	\$ 19,306,000	\$ 70,117,000
Change in inventory ²	2,195,000	2,471,000
Operational cost of gold produced ³	21,501,000	72,588,000
<i>divided by</i>		
Gold produced (oz)	39,890	155,102
<i>equals</i>		
Cost per oz of gold produced	\$ 539	\$ 468
Turmalina Plant Cash Operating Cost per oz produced	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs	\$ 9,291,000	\$ 33,029,000
Change in inventory ²	1,798,000	1,767,000
Operational cost of gold produced ³	11,089,000	34,796,000
<i>divided by</i>		
Gold produced (oz)	21,184	82,070
<i>equals</i>		
Cost per oz of gold produced	\$ 523	\$ 424
Paciência Plant Cash Operating Cost per oz produced	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs	\$ 10,015,000	\$ 33,667,000
Change in inventory ²	397,000	(200,000)
Operational cost of gold produced ³	10,412,000	33,467,000
<i>divided by</i>		
Gold produced (oz)	18,707	66,671
<i>equals</i>		
Cost per oz of gold produced	\$ 556	\$ 502
Sabará Cash Operating Cost per oz produced	Three Months Ended December 31, 2009	Year Ended December 31, 2009
Production costs	\$ -	\$ 3,421,000
Change in inventory ²	-	904,000
Operational cost of gold produced ³	-	4,325,000
<i>divided by</i>		
Gold produced (oz)	-	6,360
<i>equals</i>		
Cost per oz of gold produced	\$ -	\$ 680

¹Production costs do not include cost of goods sold adjustment of approximately \$1.5 million for the three months ended December 31, 2009 and \$4.2 million for the twelve months ended December 31, 2009.

²Under the Company's revenue recognition policy, revenue is recognized when legal title passes. Since total cash operating costs are calculated on a production basis, this change reflects the portion of gold production for which revenue has not been recognized in the period.

³The basis for calculating cost per ounce produced includes the change to gold in process inventory, whereas the cost per tonne processed does not.

The following tables are included in Jaguar's audited financial statements as filed on SEDAR and EDGAR. Readers should refer to those filings for the associated footnotes which are an integral part of the tables.

JAGUAR MINING INC.

Consolidated Balance Sheet
(Expressed in thousands of U.S. dollars)

	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 121,256	\$ 20,560
Inventory	36,986	19,946
Prepaid expenses and sundry assets	19,050	5,351
Unrealized foreign exchange gains	1,280	-
	178,572	45,857
Prepaid expenses and sundry assets	35,837	26,164
Net smelter royalty	1,006	1,006
Restricted cash	108	3,106
Property, plant and equipment	205,329	148,422
Mineral exploration projects	129,743	79,279
	\$ 550,595	\$ 303,834
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 22,892	\$ 13,416
Notes payable	5,366	4,319
Income taxes payable	15,641	8,626
Asset retirement obligations	510	1,337
Unrealized foreign exchange losses	-	2,421
	44,409	30,119
Deferred compensation liability	8,616	434
Notes payable	126,784	69,729
Future income taxes	11,821	-
Asset retirement obligations	12,331	6,828
Other liabilities	738	-
Total liabilities	204,699	107,110
Shareholders' equity		
Common shares	365,667	245,067
Stock options	14,762	19,059
Contributed surplus	42,028	1,167
Deficit	(76,561)	(68,569)
	345,896	196,724
Commitments	\$ 550,595	\$ 303,834

JAGUAR MINING INC.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in thousands of U.S. dollars, except per share amounts)

	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Gold sales	\$ 140,734	\$ 93,657	\$ 47,834
Production costs	(74,287)	(53,610)	(28,313)
Stock-based compensation	(600)	(24)	-
Depletion and amortization	(23,264)	(12,669)	(5,232)
Gross profit	42,583	27,354	14,289
Operating expenses:			
Exploration	3,079	3,536	2,365
Stock-based compensation	10,644	1,238	10,750
Administration	16,411	12,571	9,617
Management fees	1,604	854	747
Amortization	452	264	-
Accretion expense	786	490	138
Other	2,440	379	2,782
Total operating expenses	35,416	19,332	26,399
Income (loss) before the following	7,167	8,022	(12,110)
Loss on forward derivatives	-	318	9,908
Loss (gain) on forward foreign exchange derivatives	(2,642)	2,623	(3,690)
Foreign exchange gain	(17,307)	(2,477)	(2,280)
Amortization of deferred financing expense	-	-	-
Interest expense	28,847	11,584	11,170
Interest income	(4,203)	(3,850)	(4,601)
Gain on disposition of property	(2,043)	(452)	(381)
Write down on Sabará property	3,522	-	-
Other non-operating expenses	145	-	230
Total other expenses	6,319	7,746	10,356
Income (loss) before income taxes	848	276	(22,466)
Income taxes			
Current income taxes	4,979	6,172	3,519
Future income taxes (recovered)	3,861	(1,640)	1,675
Total income taxes	8,840	4,532	5,194
Net loss and comprehensive loss for the year	(7,992)	(4,256)	(27,660)
Basic and diluted net loss per share	\$ (0.10)	\$ (0.07)	\$ (0.52)
Weighted average number of common shares outstanding (Note16)	76,410,916	62,908,676	53,613,175

JAGUAR MINING INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Cash provided by (used in):			
Operating activities:			
Net loss and comprehensive loss for the year	\$ (7,992)	\$ (4,256)	\$ (27,660)
Items not involving cash:			
Unrealized foreign exchange (gain) loss	(3,227)	(3,471)	7,907
Stock-based compensation	7,962	1,262	10,750
Non-cash interest expense	15,320	1,982	2,953
Accretion expense	786	490	138
Future income taxes (recovered)	3,861	(1,640)	1,675
Depletion and amortization	23,716	12,933	5,232
Write down on Sabará property (Note 9)	3,522	-	-
Amortization of net smelter royalty	-	219	310
Unrealized loss on forward sales derivatives	-	-	4,284
Unrealized loss (gain) on foreign exchange contracts	(3,701)	4,102	(972)
Gain on disposition of property	-	-	(381)
Reclamation expenditure	(328)	-	(157)
Change in non-cash operating working capital			
Accounts receivable	-	-	1,742
Inventory	(11,106)	(4,361)	(2,624)
Prepaid expenses and sundry assets	(13,612)	(14,200)	(11,659)
Accounts payable and accrued liabilities	9,707	423	6,991
Current taxes payable	7,015	5,107	2,928
	31,923	(1,410)	1,457
Financing activities:			
Issuance of common shares, special warrants and warrants, net	114,294	105,803	30,138
Shares purchased for cancellation	-	(6,381)	(2,089)
Settlement of forward derivatives	-	(14,500)	-
Decrease (increase) in restricted cash	2,998	(4)	2,925
Repayment of debt	(84,614)	(18,654)	(6,086)
Increase in debt	118,204	3,848	64,604
Other long term liabilities	738	-	-
	151,620	70,112	89,492
Investing activities			
Mineral exploration projects	(25,200)	(37,087)	(27,233)
Purchase of property, plant and equipment	(60,300)	(52,210)	(35,859)
	(85,500)	(89,297)	(63,092)
Effect of foreign exchange on non-U.S. dollar denominated cash and cash equivalents			
	2,653	(4,556)	3,095
Increase (decrease) in cash and cash equivalents	100,696	(25,151)	30,952
Cash and cash equivalents, beginning of year	20,560	45,711	14,759
Cash and cash equivalents, end of year	\$ 121,256	\$ 20,560	\$ 45,711

Outlook

The Company's production and cash operating costs for the year ended December 31, 2009 and 2010 estimates are as follows:

Operation	<i>Actual</i>	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>
	2009 Production (oz)	2009 Cash Operating Costs (\$/oz)	FY 2010 Production (oz)	FY 2010 Cash Operating Costs (\$/oz)
Turmalina	82,070	\$424	95,000 – 101,000	\$480 – 490
Paciência	66,671	\$502	75,000 – 81,000	\$495 – 510
Caeté	-	-	<u>30,000 – 35,000</u>	\$500 – 510
Total	148,742	\$459	200,000 – 217,000	\$489 – 500
Sabará	6,360	\$680	-	
Total	155,102	\$468	200,000 – 217,000	

Notes

1. Estimated 2010 cash operating costs based on R\$1.75 per \$1.00.
2. The 2009 exchange rate was R\$2.04 per \$1.00.
3. Sabará is a non-core/idle facility.

Conference Call Details

The Company will hold a conference call tomorrow, March 23 at 10:00 a.m. EDT, to discuss the results.

From North America: 800-218-5691
International: 213-416-2192
Replay:
From North America: 800-675-9924
International: 213-416-2185
Replay ID: 32310
Webcast: www.jaguarmining.com

A presentation will be available prior to the call on the Company's homepage at www.jaguarmining.com.

About Jaguar Mining

Jaguar is one of the fastest growing gold producers in Brazil with operations in a prolific greenstone belt in the state of Minas Gerais and has plans to develop the Gurupi Project in northern Brazil in the state of Maranhão. Jaguar is actively exploring and developing additional mineral resources at its approximate 575,000-acre land base in Brazil. The Company has no gold hedges in place thereby providing the leverage to gold prices directly to its investors. Additional information is available on the Company's website at www.jaguarmining.com.

For Information:**Investors and analysts:**

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Forward Looking Statements

This press release contains forward-looking statements, within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, concerning the Company's objectives, such as estimated 2010 gold production and cash operating costs, steadily gain of the Company's financial performance, including operating cash flow and earnings, commissioning of the Caeté Project in Q2 2010 and completion of the Gurupi Project feasibility study in early-April 2010. These forward-looking statements can be identified by the use of the words "intends", "plans", "expects", "expected" and "will". Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating gold prices and monetary exchange rates, the possibility of project cost delays and overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to production rates, timing of production and the cash and total costs of production, changes in applicable laws including laws related to mining development, environmental protection, and the protection of the health and safety of mine workers, the availability of labor and equipment, the possibility of labor strikes and work stoppages and changes in general economic conditions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

These forward-looking statements represent our views as of the date of discussion. The Company anticipates that subsequent events and developments may cause the Company's views to change. The Company does not undertake to update any forward-looking statements, either written or oral, that may be made from time to time by or on behalf of the Company subsequent to the date of this discussion except as required by law. For a discussion of important factors affecting the Company, including fluctuations in the price of gold and exchange rates, uncertainty in the calculation of mineral resources, competition, uncertainty concerning geological conditions and governmental regulations and assumptions underlying the Company's forward-looking statements, see the "CAUTIONARY NOTE" regarding forward-looking statements and "RISK FACTORS" in the Company's Annual Information Form for the year ended December 31, 2009 filed on System for Electronic Document Analysis and Retrieval and available at <http://www.sedar.com> and the Company's Annual Report on Form 40-F for the year ended December 31, 2009 filed with the United States Securities and Exchange Commission and available at www.sec.gov.

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