



PRESS RELEASE

May 11, 2010
Concord, New Hampshire

2010-08
JAG - TSX/NYSE

Jaguar Mining Reports Q1 2010 Earnings

Adj. Net Income of (\$0.01)/share, Adj. Cash Flow of \$0.13/share

Jaguar Mining Inc. (“Jaguar” or the “Company”) (JAG: TSX/NYSE) reports its financial and operational results for the period ended March 31, 2010. All figures are in U.S. dollars unless otherwise indicated.

Q1 2010 Highlights

- Q1 2010 adjusted net loss of \$1.1 million or (\$0.01) per basic and fully diluted share compared to an adjusted net gain of \$6.2 million or \$0.09 per basic and fully diluted share in Q1 2009. *(See Non-GAAP Performance Measures.)* Adjusted net income decreased from the prior period primarily due to the strengthening of the Brazilian real (“R\$”), which increased 29% from the year before. Lower grades at the Turmalina operation, coupled with items noted below, also contributed to the lower adjusted net income.

The adjusted net loss excludes two significant items: (a) non-cash interest expense associated with Jaguar’s 4.5% Senior Convertible Notes issued in September 2010 totaling \$2.0 million, which is required to be recognized under Generally Accepted Accounting Principles in Canada (“GAAP”) to reflect the value of the conversion option afforded to note holders separate from the value of the bond and (b) other (non-recurring) cost of goods sold in the amount of \$1.5 million, approximately one-half of which was related to additional charges to place the Sabará operation on long-term idle status. The Company’s reported earnings were further impacted by:

1. the distribution of fixed overhead and idle plant charges resulting from reduced production, in-part stemming from 10-day scheduled maintenance shutdowns at Turmalina and Paciência plants,
 2. charges for development costs related to non-converted resources (into reserves) and,
 3. expenditures to adopt forthcoming International Financial Reporting Standards.
- Q1 2010 adjusted cash flow of \$11.2 million or \$0.13 per basic and fully diluted share compared to \$6.0 million or \$0.09 per basic and fully diluted share in Q1 2009. *(See Non-GAAP Performance Measures.)* The adjusted cash flow figure takes into account non-cash

changes in working capital of approximately \$4.5 million in Q1 2010 and (\$0.8) million in Q1 2009.

- Q1 2010 net loss of \$4.6 million or (\$0.05) per basic and fully diluted share compared to a net gain of \$4.8 million or \$0.07 per basic and fully diluted share in Q1 2009.
- Q1 2010 cash flow of \$6.8 million compared to \$6.7 million in Q1 2009.
- Q1 2010 gold sales rose to 36,888 ounces at an average price of \$1,102 per ounce yielding revenue of \$40.7 million compared to Q1 2009 gold sales of 35,879 ounces at an average price of \$928 per ounce and revenue of \$33.3 million. This represents a 22% increase in gold sales revenue and a 3% increase in the number of ounces sold.
- Q1 2010 gold production totaled 31,223 ounces at an average cash operating cost of \$597 per ounce compared to 32,868 ounces at an average cash operating cost of \$409 per ounce during the same period last year, a decrease of 5% in gold production (see *Non-GAAP Performance Measures*). Beginning in Q1 2010, the Company adopted a definition of "to the refinery" for measuring gold production. As a result of this change, the Q1 2010 production figure does not include gold in-process or in unfinished inventory as was the case for quarterly production data prior to Q1 2010.
- Q1 2010 gross profit decreased to \$7.4 million from \$11.2 million in Q1 2009, a decrease of 34% caused primarily by a significantly stronger R\$.
- Jaguar invested \$36.9 million in growth projects in Q1 2010, up significantly from the \$5.6 million invested in Q1 2009 when the Company implemented substantial investing curbs in response to the global financial crisis.
- As of March 31, 2010 the Company held cash, cash equivalents and short-term investments of approximately \$100.9 million as compared to \$84.7 million as of March 31, 2009.

Caeté Project Update:

The Company has initiated partial commissioning of its new Caeté processing complex with the successful start of the crushing circuit. Over the next two weeks it is expected the milling, flotation and leaching circuits will be charged and full commissioning will commence. The Caeté Project was completed within the budget and schedule, 13 months from the start of construction. Management anticipates the plant should reach commercial production status by Q4 2010.

Commenting on the Q1 2010 results, Daniel R. Titcomb, Jaguar's President and CEO stated, "Our 2010 targets for production and costs remain largely unchanged and take into account the impact of the first quarter performance. With Caeté now entering the commissioning phase, along with operating refinements initiated at the Turmalina and Paciência operations, we are confident our production, revenue and cash flow will trend significantly higher through the end of the year, given the status of projects and current gold prices."

Summary of Key Operating Results

The following is a summary of key operating results:

	Three Months Ended	
	March 31	
	2010	2009
(unaudited)		
(\$ in 000s, except per share and per ounce amounts)		
Gold sales	\$ 40,670	\$ 33,285
Ounces sold	36,888	35,879
Average sales price per ounce	1,102	928
Gross profit	7,370	11,292
Net income (loss)	(4,605)	4,758
Basic income (loss) per share	(0.05)	0.07
Diluted income (loss) per share	(0.05)	0.07
Weighted avg. # of shares outstanding - basic	83,995,337	68,621,449
Weighted avg. # of shares outstanding - diluted	83,995,337	69,779,608

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 March 31, 2010.

2010 Outlook

The Company's production and cash operating cost estimates for 2010 are shown below. Estimated cash operating costs are based on R\$1.75 per \$1.00.

Operation	Estimated	Estimated
	2010	FY 2010
	Production	Cash Operating Cost
	(oz)	(\$/oz)
Turmalina	98,000 - 101,000	\$475 - 485
Paciência	72,000 - 74,000	\$540 - 550
Caeté	30,000 - 35,000	\$590 - 600*
Total	200,000 - 210,000	\$515 - 527

* Caeté costs based on development ore during the commissioning phase.

The Company has provided its 2010 quarterly production and grades for its operations as follows:

2010 Estimated Gold Production, By Operation

Operation	Q1 Actual	Q2 Estimate	Q3 Estimate	Q4 Estimate	FY 2010
Turmalina	16,987	23,000	30,500	29,000	98,000 - 101,000
Paciência	14,236	18,250	20,500	20,250	72,000 - 74,000
Caeté*	-	-	16,250	16,250	30,000 - 35,000
Total	31,223	41,250	67,250	65,500	200,000 - 210,000

Note: The FY 2010 represents the range of production for the year whereas quarterly figures represent the target.

* Caeté Q3/Q4 based on development ore during the commissioning phase.

2010 Estimated Feed Grades, By Operation

Operation	Q1 Actual	Q2 Estimate	Q3 Estimate	Q4 Estimate	FY 2010
Turmalina	4.16	3.85	5.15	5.00	4.57
Paciência	3.32	3.38	3.60	3.60	3.49
Caeté	-	-	3.39	3.39	3.39
Average	3.74	3.63	4.11	4.05	3.93
Cash Operating Cost	\$597	\$560	\$498	\$480	\$515-\$527

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 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 uses the financial measures "adjusted net income" and "adjusted cash flows from operating activities" to supplement its consolidated financial statements. Adjusted net income and adjusted cash flows from operating activities reflect the elimination of special non-operating and certain non-recurring charges that do not reflect on-going costs. The Company believes that these measures are useful to investors because each excludes certain non-cash charges that the Company does not consider to be meaningful in evaluating the Company's past financial performance or future prospects and may hinder a comparison of its period to period cash flows.

The Company has also included cash operating cost per ounce processed 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.

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 March 31, 2010	Three Months Ended March 31, 2009
Net (loss) as reported	\$ (4,605)	\$ 4,758
Adjustments:		
Non-cash interest	1,975	361
Other costs of goods sold	<u>1,519</u>	<u>1,100</u>
Adjusted net income	\$ (1,111)	\$ 6,219
Adjusted basic net income per share	\$ (0.01)	\$ 0.09

Cash provided by operating activities

(\$000s)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Cash provided by operating activities as reported		
Net income (loss)	\$ (4,605)	\$ 4,758
Items not involving cash:		
Unrealized foreign exchange (gain) loss	323	(3,032)
Stock-based compensation	54	1,021
Non-cash interest expense	1,975	361
Accretion expense	400	188
Future income taxes (recovered)	(159)	-
Depletion and amortization	8,157	4,985
Unrealized loss (gain) on foreign exchange contracts	699	(1,541)
Reclamation expenditure	<u>(78)</u>	<u>-</u>
	\$ 6,766	\$ 6,740
Change in non cash operating working capital	<u>4,453</u>	<u>\$ (763)</u>
Cash provided by operating activities	\$ 11,219	\$ 5,977
Cash provided by operating activities per share	\$ 0.13	\$ 0.09

Summary of Cash Operating Cost per tonne processed	Three Months Ended March 31, 2010
Production costs per statement of operations ¹	\$ 21,716,000
Change in inventory ²	(2,939,000)
Operational cost of gold produced ³	18,777,000
<i>divided by</i>	
Tonnes processed	299,000
<i>equals</i>	
Cost per tonne processed	\$ 62.80

Turmalina Cash Operating Cost per tonne processed	Three Months Ended March 31, 2010
Production costs	\$ 11,549,000
Change in inventory ²	(2,061,000)
Operational cost of gold produced ³	9,488,000
<i>divided by</i>	
Tonnes processed	151,000
<i>equals</i>	
Cost per tonne processed	\$ 62.90

Paciência Cash Operating Cost per tonne processed	Three Months Ended March 31, 2010
Production costs	\$ 10,167,000
Change in inventory ²	(878,000)
Operational cost of gold produced ³	9,289,000
<i>divided by</i>	
Tonnes processed	148,000
<i>equals</i>	
Cost per tonne processed	\$ 62.80

Summary of Cash Operating Cost per oz of gold produced	Three Months Ended March 31, 2010
Production costs per statement of operations ¹	\$ 21,716,000
Change in inventory ²	(3,075,000)
Operational cost of gold produced ³	18,641,000
<i>divided by</i>	
Gold produced (oz)	31,223
<i>equals</i>	
Cost per oz of gold produced	\$ 597

Turmalina Plant Cash Operating Cost per oz produced	Three Months Ended March 31, 2010
Production costs	\$ 11,549,000
Change in inventory ²	(2,189,000)
Operational cost of gold produced ³	9,360,000
<i>divided by</i>	
Gold produced (oz)	16,987
<i>equals</i>	
Cost per oz of gold produced	\$ 551

Paciência Plant Cash Operating Cost per oz produced	Three Months Ended March 31, 2010
Production costs	\$ 10,167,000
Change in inventory ²	(971,000)
Operational cost of gold produced ³	9,196,000
<i>divided by</i>	
Gold produced (oz)	14,236
<i>equals</i>	
Cost per oz of gold produced	\$ 646

1. Production costs do not include cost of goods sold adjustment of approximately \$1.5 million, royalties of \$1.5 million and CFEM tax of \$410,000 for the three months ended March 31, 2010.
2. Under 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.
3. The 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 unaudited interim financial statements and Management Discussion and Analysis of Financial Condition and Results of Operations for the period ended March 31, 2010 as filed on SEDAR and EDGAR and readers should refer to those filings for the associated footnotes which are an integral part of the tables.

JAGUAR MINING INC.

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

	March 31, 2010	December 31, 2009
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 95,053	\$ 121,256
Short-term investments	5,811	-
Inventory	35,194	36,986
Prepaid expenses and sundry assets	18,047	19,050
Unrealized foreign exchange gains	581	1,280
	154,686	178,572
Prepaid expenses and sundry assets	38,339	35,837
Net smelter royalty	1,006	1,006
Restricted cash	908	108
Property, plant and equipment	225,631	205,329
Mineral exploration projects	138,187	129,743
	\$ 558,757	\$ 550,595
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,273	\$ 22,892
Notes payable	6,382	5,366
Income taxes payable	16,440	15,641
Asset retirement obligations	539	510
	50,634	44,409
Deferred compensation liability	8,767	8,616
Notes payable	131,489	126,784
Future income taxes	11,470	11,821
Asset retirement obligations	12,624	12,331
Other liabilities	902	738
Total liabilities	215,886	204,699
Shareholders' equity		
Common shares	367,791	365,667
Stock options	14,218	14,762
Contributed surplus	42,028	42,028
Deficit	(81,166)	(76,561)
	342,871	345,896
Commitments		
	\$ 558,757	\$ 550,595

JAGUAR MINING INC.

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

(unaudited)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Gold sales	\$ 40,670	\$ 33,285
Production costs	(25,140)	(17,083)
Stock-based compensation	(127)	(27)
Depletion and amortization	(8,033)	(4,883)
Gross profit	7,370	11,292
Operating expenses:		
Exploration	1,107	639
Stock-based compensation (recovery)	(73)	994
Administration	4,297	3,761
Management fees	339	525
Amortization	124	102
Accretion expense	400	188
Other	689	753
Total operating expenses	6,883	6,962
Income before the following	487	4,330
Loss (gain) on forward foreign exchange derivatives	253	(287)
Foreign exchange loss (gain)	489	(2,578)
Interest expense	3,982	2,214
Interest income	(1,361)	(499)
Gain on disposition of property	(497)	(459)
Other non-operating expenses	-	741
Total other expenses	2,866	(868)
Income (loss) before income taxes	(2,379)	5,198
Income taxes		
Current income taxes	2,385	440
Future income taxes	(159)	-
Total income taxes	2,226	440
Net income (loss) and comprehensive income (loss) for the period	(4,605)	4,758
Basic and diluted net income (loss) per share	\$ (0.05)	\$ 0.07
Weighted average number of common shares outstanding - Basic	83,995,337	68,621,449
Weighted average number of common shares outstanding - Diluted	83,995,337	69,779,608

JAGUAR MINING INC.

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

(unaudited)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the period	\$ (4,605)	\$ 4,758
Items not involving cash:		
Unrealized foreign exchange (gain) loss	323	(3,032)
Stock-based compensation	54	1,021
Non-cash interest expense	1,975	361
Accretion expense	400	188
Future income taxes	(159)	-
Depletion and amortization	8,157	4,985
Unrealized loss (gain) on foreign exchange contracts	699	(1,541)
Reclamation expenditure	(78)	-
	6,766	6,740
Change in non-cash operating working capital		
Inventory	2,209	(304)
Prepaid expenses and sundry assets	(2,936)	(210)
Accounts payable and accrued liabilities	4,381	(419)
Current taxes payable	799	170
	11,219	5,977
Financing activities:		
Issuance of common shares, special warrants and warrants, net	1,501	63,401
Increase in restricted cash	(800)	-
Repayment of debt	(68)	(288)
Increase in debt	3,542	-
Other long term liabilities	164	-
	4,339	63,113
Investing activities		
Short term investments	(5,811)	-
Mineral exploration projects	(8,393)	(1,667)
Purchase of property, plant and equipment	(28,537)	(3,897)
	(42,741)	(5,564)
Effect of foreign exchange on non-U.S. dollar denominated cash and cash equivalents		
	980	605
Increase (decrease) in cash and cash equivalents	(26,203)	64,131
Cash and cash equivalents, beginning of period	121,256	20,560
Cash and cash equivalents, end of period	\$ 95,053	\$ 84,691

Conference Call Details

The Company will hold a conference call tomorrow, May 12 at 10:00 a.m. EST, 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:	51210
Webcast:	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.

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Forward Looking Statements

Certain statements in this press release constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities legislation. This press release contains forward-looking statements, including statements concerning when commissioning and commercial production will commence at Caeté, future trends in production, revenue and cash flow and estimates for 2010 production and cash operating costs. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual timing of commissioning, production and results of operations 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 labour and equipment, the possibility of labour 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 the Company's views as of the date hereof. Subsequent events and developments could 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 other than 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.edgar.com.

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