



PRESS RELEASE

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Concord, New Hampshire

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JAG - TSX/NYSE Arca

Jaguar Mining Reports Q1 2009 Earnings *Net Income of \$0.07/share, 2009 Operating Targets Unchanged*

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

Q1 2009 Highlights

- Q1 2009 net income of \$4.8 million or \$0.07 per basic and fully diluted share compared to net income of \$0.8 million or \$0.01 per basic and fully diluted share in Q1 2008. Net income for Q1 2009 benefitted from a 76% increase in the number of ounces of gold sold during the quarter.
- Q1 2009 gold sales rose to 35,879 ounces at an average price of \$928 per ounce yielding revenue of \$33.3 million compared to Q1 2008 gold sales of 20,344 ounces at an average price of \$924 per ounce and revenue of \$18.8 million.
- Q1 2009 gold production totaled 32,868 ounces at an average cash operating cost of \$409 per ounce compared to 21,414 ounces at an average cash operating cost of \$428 per ounce during the same period last year, a production increase of 53% (see *Non-GAAP Performance Measures*).
- Gross profit for the quarter ended March 31, 2009 increased to \$11.3 million from \$7.3 million for the quarter ended March 31, 2008.
- Q1 2009 operating cash flow totaled \$6.0 million compared to a negative \$2.3 million in Q1 2008. EBITDA for Q1 2009 totaled \$11.9 million compared to \$6.5 million in Q1 2008 (see *Non-GAAP Performance Measures*).
- Jaguar invested \$5.6 million in growth projects in Q1 2009, down from the \$25.8 million invested in Q1 2008. The decision to curtail the Caeté Project in Q4 2008 led to the significant decline in capital spending during Q1 2009 compared to the prior year. However, with the capital raised by the Company in March 2009, largely to re-take the Caeté Project development, capital investments for FY 2009 are expected to total approximately \$71.5 million for the full year.
- As of March 31, 2009 the Company held cash and cash equivalents of approximately \$87.8 million, including \$3.1 million of restricted cash.

- Overall, Q1 2009 gold production was on target with the Company's 2009 Plan. Cash operating costs were slightly higher (+3%) than planned but were offset by higher than expected selling prices (+9%). The Company's actual Q1 2009 cash operating margin of \$519 per ounce exceeded the Company's expected cash operating margin of \$455 per ounce.

Commenting on the 2008 results, Daniel R. Titcomb, Jaguar's President and CEO stated, "Our solid first quarter results reflect our continued evolution from that principally of a late-stage development concern into a full-fledged gold production company. Our 2009 targets for production and costs remain unchanged. More importantly, as we continue to make new discoveries, our confidence in our plan to become a mid-tier producer by 2011 remains high. The current build-out of our Caeté Project and announced expansions at Turmalina and Paciência are on schedule and will benefit our shareholders through stronger financial performance."

Summary of Key Operating Results

The following is a summary of key operating results.

	Three Months Ended	
	March 31	
	2009	2008
(unaudited)		
(\$ in 000s, except per share amounts and shares outstanding)		
Gold sales	33,285	18,797
Ounces sold	35,879	20,344
Average sales price \$ / ounce	928	924
Gross profit	11,292	7,336
Net income	4,758	839
Earnings per share - basic and fully diluted	0.07	0.01
Weighted avg. # of shares outstanding - basic	68,621,449	59,430,887
Weighted avg. # of shares outstanding - diluted	69,779,608	63,768,136

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, 2008.

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 certain 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 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. EBITDA has also been included as an overall measure of cash generation capability on a standardized basis. The definitions for these performance measures and reconciliation of the non-GAAP measures to reported GAAP measures are set out in the following tables.

Cash Operating Cost per ounces Processed

Summary of Cash Operating Cost per oz of gold produced	Three Months Ended March 31, 2009
Production costs per statement of operations ¹	\$ 15,983,000
Change in inventory ²	(2,540,000)
Operational cost of gold produced ³	13,443,000
<i>divided by</i>	
Gold produced (oz)	32,868
<i>equals</i>	
Cost per oz of gold produced	\$ 409

Turmalina Plant Cash Operating Cost per oz produced	Three Months Ended March 31, 2009
Production costs	\$ 7,717,000
Change in inventory ²	(1,181,000)
Operational cost of gold produced ³	6,536,000
<i>divided by</i>	
Gold produced (oz)	18,770
<i>equals</i>	
Cost per oz of gold produced	\$ 349

Paciência Plant Cash Operating Cost per oz produced	Three Months Ended March 31, 2009
Production costs	\$ 7,196,000
Change in inventory ²	(299,000)
Operational cost of gold produced ³	6,897,000
<i>divided by</i>	
Gold produced (oz)	14,099
<i>equals</i>	
Cost per oz of gold produced	\$ 490

¹ Production costs do not include cost of goods sold adjustment of approximately \$1.1 million.

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 Company uses the financial measure EBITDA to supplement its consolidated financial statements. The presentation of EBITDA is not meant to be a substitute for net income and comprehensive income presented in the consolidated statements of operations and comprehensive income in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures. EBITDA is calculated as net income and comprehensive income excluding income tax expense, interest expense, interest income, depletion and amortization. The term EBITDA does not have a standardized meaning prescribed by Canadian GAAP, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to: (i) fund working capital needs, (ii) service debt obligations, and (iii) fund capital expenditures. Management uses EBITDA for this purpose.

The following table provides a reconciliation of EBITDA to net income.

(Expressed in thousands of U.S. dollars)

	Three Months Ended	
	March 31	
	2009	2008
Net income as reported	\$ 4,758	\$ 839
Adjustments:		
Interest expense	2,214	4,070
Interest income	(499)	(1,245)
Income tax expense	440	643
Depletion and amortization	4,985	2,168
EBITDA	<u>\$ 11,898</u>	<u>\$ 6,475</u>

The following tables are included in Jaguar's audited financial statements as filed on SEDAR 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, 2009	December 31, 2008
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 84,691	\$ 20,560
Inventory	20,187	19,946
Prepaid expenses and sundry assets	4,261	5,351
	109,139	45,857
Prepaid expenses and sundry assets	29,094	26,164
Net smelter royalty	1,006	1,006
Restricted cash	3,106	3,106
Property, plant and equipment	147,510	148,422
Mineral exploration projects	80,412	79,279
	\$ 370,267	\$ 303,834
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,767	\$ 13,416
Notes payable	4,150	4,319
Income taxes payable	8,795	8,626
Asset retirement obligations	1,360	1,337
Unrealized foreign exchange losses	880	2,421
	27,952	30,119
Deferred compensation liability	1,419	434
Notes payable	68,826	69,729
Asset retirement obligations	6,993	6,828
Total liabilities	105,190	107,110
Shareholders' equity		
Common shares	308,590	245,067
Stock options	19,131	19,059
Contributed surplus	1,167	1,167
Deficit	(63,811)	(68,569)
	265,077	196,724
Commitments	\$ 370,267	\$ 303,834

JAGUAR MINING INC.

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

(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Gold sales	\$ 33,285	\$ 18,797
Production costs	(17,083)	(9,347)
Stock-based compensation	(27)	-
Depletion and amortization	(4,883)	(2,114)
Gross profit	11,292	7,336
Operating expenses:		
Exploration	639	812
Stock-based compensation	994	274
Administration	3,761	3,018
Management fees	525	188
Amortization	102	54
Accretion expense	188	70
Other	753	994
Total operating expenses	6,962	5,410
Income before the following	4,330	1,926
Loss on forward derivatives	-	318
Gain on forward foreign exchange derivatives	(287)	(393)
Foreign exchange gain	(2,578)	(2,248)
Interest expense	2,214	4,070
Interest income	(499)	(1,245)
Gain on disposition of property	(459)	-
Other non-operating expenses (recovery)	741	(58)
Total other expenses	(868)	444
Income before income taxes	5,198	1,482
Income taxes		
Current income taxes	440	2,381
Future income taxes (recovered)	-	(1,738)
Total income taxes	440	643
Net income and comprehensive income for the period	4,758	839
Basic and diluted net income per share	\$ 0.07	\$ 0.01
Weighted average number of common shares outstanding -Basic	68,621,449	59,430,887
Weighted average number of common shares outstanding- Diluted	69,779,608	63,768,136

JAGUAR MINING INC.

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

(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash provided by (used in):		
Operating activities:		
Net income and comprehensive income for the period	\$ 4,758	\$ 839
Items not involving cash:		
Unrealized foreign exchange (gain) loss	(3,032)	1,173
Stock-based compensation	1,021	274
Non-cash interest expense	361	1,390
Accretion expense	188	70
Future income taxes (recovered)	-	(1,738)
Depletion and amortization	4,985	2,114
Amortization of net smelter royalty	-	77
Unrealized loss (gain) on foreign exchange contracts	(1,541)	882
	6,740	5,081
Change in non-cash operating working capital		
Accounts receivable	-	(5,779)
Inventory	(304)	(620)
Prepaid expenses and sundry assets	(210)	(3,751)
Accounts payable and accrued liabilities	(419)	44
Current taxes payable	170	2,758
	5,977	(2,267)
Financing activities:		
Issuance of common shares, special warrants and warrants, net	63,401	105,649
Shares purchased for cancellation	-	(661)
Settlement of forward derivatives	-	(14,500)
Repayment of debt	(288)	(11,210)
Increase in debt	-	3,849
	63,113	83,127
Investing activities		
Mineral exploration projects	(1,667)	(15,885)
Purchase of property, plant and equipment	(3,897)	(9,964)
	(5,564)	(25,849)
Effect of foreign exchange on non-U.S. dollar denominated cash and cash equivalents		
	605	(4,050)
Increase in cash and cash equivalents	64,131	50,961
Cash and cash equivalents, beginning of period	20,560	45,711
Cash and cash equivalents, end of period	\$ 84,691	\$ 96,672

Conference Call Details

The Company will hold a conference call tomorrow, May 12 at 10:00 a.m. EDT, to discuss the results.

From North America:	800-379-9582
International:	213-416-2192
Replay:	
From North America:	800-675-9924
International:	213-416-2185
Replay ID:	51209
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. Jaguar is actively exploring and developing additional mineral resources at its 65,500 acre land base in Minas Gerais and on an additional 186,600 acres in the state of Ceará in the Northeast of Brazil through a joint venture. 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. www.jaguarmining.com.

For Information:

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The Company uses the financial measure "adjusted cash flows from operating activities" to supplement its consolidated financial statements. The presentation of adjusted cash flows from operating activities is not meant to be a substitute for cash flows from operating activities presented in the statement of cash flows in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures. Adjusted cash flows from operating activities is calculated as operating cash flow excluding the change in non-cash operating working capital. The term adjusted cash flows from operating activities does not have a standardized meaning prescribed by Canadian GAAP, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes that the presentation of adjusted cash flows from operating activities provides useful information to investors because it excludes certain non-cash changes and is a better indication of the Company's cash flow from operations. The non-cash charges excluded from the computation of adjusted cash flows from operating activities, which are included in the Statements of Cash Flows prepared in accordance with Canadian GAAP, are items that the Company does not consider to be meaningful in evaluating the Company's past

financial performance or the future prospects and may hinder a comparison of its period to period cash flows.

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 the Company's goal of becoming a mid-tier producer by 2011 and completing the build-out of the Caeté Project and the expansions at Turmalina and Paciência on schedule. Forward-Looking Statements can be identified by the use of words, such as "are expected", "is forecast", "is targeted", "approximately" 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. Forward-Looking Statements involve known and unknown risks, uncertainties and other factors, which may cause the actual timing of commissioning, completion dates or use of proceeds 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. 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, 2008 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, 2008 filed with the United States Securities and Exchange Commission and available at www.edgar.com.

This press release presents estimates of "total cash cost per ounce" that are not recognized measures under generally accepted accounting principles ("GAAP"). This data may not be comparable to data presented by other gold producers. A reconciliation of the Company's total cash cost per ounce to the most comparable financial measures calculated and presented in accordance with GAAP for the Company's historical results of operations is set forth in the management discussion and analysis filed with the United States Securities and Exchange Commission as well as the Company's most recent annual financial statements filed with the Canadian Securities Administrators.

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