



PRESS RELEASE

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Concord, New Hampshire

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JAG - TSX/NYSE

Jaguar Mining Reports Q2 2009 Earnings

Record Net Income of \$0.12/share and Operating Cash Flow of \$12.0 Million

Jaguar Mining Inc. (“Jaguar” or the “Company”) (JAG: TSX/NYSE, JAG.NT: TSX) reports its financial and operational results for the period ended June 30, 2009. All figures are in U.S. dollars.

Q2 2009 Highlights

- Q2 2009 net income of \$9.7 million or \$0.12 per basic and fully diluted share compared to a net loss of \$0.4 million or \$0.01 per basic and fully diluted share in Q2 2008. Net income for Q2 2009 benefitted from a 51% increase in the number of ounces of gold sold during the quarter and foreign exchange gains attributable to the Company’s treasury management program.
- Q2 2009 gold sales rose to 35,561 ounces at an average price of \$922 per ounce yielding revenue of \$32.8 million compared to Q2 2008 gold sales of 23,537 ounces at an average price of \$900 per ounce and revenue of \$21.2 million. This represents a 55% increase in gold sales revenue.
- Q2 2009 gold production totaled 40,758 ounces at an average cash operating cost of \$466 per ounce compared to 20,782 ounces at an average cash operating cost of \$455 per ounce during the same period last year, a production increase of 96% (see *Non-GAAP Performance Measures*).
- Q2 2009 gross profit increased to \$9.1 million from \$6.0 million in Q2 2008, a gross profit increase of 52%.
- Q2 2009 cash provided by operating activities totaled \$12.0 million compared to negative \$1.2 million in Q2 2008.
- Jaguar invested \$20.1 million in growth projects in Q2 2009, down 33% from the \$29.8 million invested in Q2 2008.
- As of June 30, 2009 the Company held cash and cash equivalents of approximately \$82.3 million, including \$3.1 million of restricted cash. Restricted cash was required to maintain a facility for forward currency hedging.
- Overall, Q2 2009 gold production was on target with the Company’s 2009 Plan. Despite higher than planned costs, the Company’s actual Q2 2009 cash operating margin (see *Non-GAAP Performance Measures*) of \$456 per ounce slightly exceeded the Company’s expected cash operating margin of \$450 per ounce. Higher than planned gold realizations more than offset the increase in cash operating costs.

Commenting on the Q2 2009 results, Daniel R. Titcomb, Jaguar’s President and CEO stated, “Our strong second quarter financial performance is another indication that Jaguar’s focused effort continues to build shareholder value by growing our operations in tandem with sound financial management. As we continue with our organic growth initiatives, including the Phase I expansion of the Turmalina operation and the build-out of the Caeté Project, we believe our financial performance will steadily gain, including operating cash flow and earnings.”

1st Half 2009 Highlights

- For the six months ended June 30, 2009 net income of \$14.5 million or \$0.20 per basic share and \$0.19 per fully diluted share compared to net income of \$0.5 million or \$0.01 per basic and fully diluted share for the same period in 2008. Net income during the first six months of 2009 benefitted from a 63% increase in the number of ounces of gold sold during the quarter as well as foreign exchange gains.
- First half 2009 gold sales rose to 71,440 ounces at an average price of \$925 per ounce yielding revenue of \$66.1 million compared to gold sales of 43,880 ounces at an average price of \$911 per ounce and revenue of \$40.0 million for the same period in 2008.
- First half 2009 gold production totaled 73,627 ounces of gold at an average cash operating cost of \$440 per ounce compared to 42,195 ounces at an average cash operating cost of \$442 per ounce during the same period last year (see *Non-GAAP Performance Measures*).
- Gross profit for the six months ended June 30, 2009 increased to \$20.4 million from \$13.3 million during the same period in 2008.
- Cash provided by operating activities during the first half of 2009 totaled \$17.9 million compared to negative \$3.4 million during the first half of 2008.
- Invested \$25.6 million in growth projects during the first half of 2009, down from the \$55.6 million invested during the same period in 2008.
- Achieved underground development targets of 6.4 km for the six months ended June 30, 2009.
- On-schedule for the Turmalina expansion and primary installations at the Caeté Project.

Summary of Key Operating Results

The following is a summary of key operating results.

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
(unaudited)				
(\$ in 000s, except per share amounts)				
Gold sales	\$ 32,786	\$ 21,187	\$ 66,072	\$ 39,984
Ounces sold	35,561	23,537	71,440	43,880
Average sales price \$ / ounce	922	900	925	911
Gross profit	9,111	6,013	20,405	13,349
Net income (loss)	9,724	(351)	14,483	487
Basic earnings (loss) per share	0.12	(0.01)	0.20	0.01
Diluted earnings (loss) per share	0.12	(0.01)	0.19	0.01
Weighted avg. # of shares outstanding - basic	77,957,007	64,161,622	73,315,017	61,796,255
Weighted avg. # of shares outstanding - diluted	79,787,135	64,161,622	74,685,075	65,311,115

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 June 30, 2009.

2009 Outlook

The Company's 2009 production and cash operating cost estimates are as follows:

Operation	<i>Actual</i>	<i>Estimated</i>	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>
	1st Half 2009	FY 2009	1st Half 2009	2nd Half 2009	FY 2009
	Production	Production	Cash Operating Cost	Cash Operating Cost	Cash Operating Cost
	(oz)	(oz)	(\$/oz)	(\$/oz)	(\$/oz)
Turmalina	38,638	85,000-90,000	\$377	\$369-409	\$373-395
Paciência	30,037	65,000-70,000	\$490	\$355-394	\$417-435
Sabará	4,952	15,000	\$628	\$587-653	\$601-641
Total	73,627	165,000-175,000	\$440	\$388-430	\$411-426

Note: Estimated 2nd Half 2009 cash operating costs based on R\$2.0 to R\$1.8 per \$1.00.

FY2009 cash operating cost estimate includes 1st Half actual based on average of R\$2.20 per \$1.00

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 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. The definitions for these performance measures and reconciliation of the non-GAAP measures to reported GAAP measures are set out in the following tables.

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
Cash Operating Margin per oz of gold	2009		2009	
Average sales price per oz of gold	\$	922	\$	925
<i>less</i>				
Cost per oz of gold produced		466		440
<i>equals</i>				
Cash operating margin per oz of gold	\$	456	\$	485

Summary of Cash Operating Cost per tonne processed	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs per statement of operations ¹	\$ 17,535,000	\$ 33,517,000
Change in inventory ²	850,000	(1,436,000)
Operational cost of gold produced ³	18,385,000	32,081,000
<i>divided by</i>		
Tonnes processed	415,011	689,921
<i>equals</i>		
Cost per tonne processed	\$ 44.30	\$ 46.50

Turmalina Cash Operating Cost per tonne processed	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs	\$ 7,626,000	\$ 15,347,000
Change in inventory ²	327,000	(677,000)
Operational cost of gold produced ³	7,953,000	14,670,000
<i>divided by</i>		
Tonnes processed	135,843	256,016
<i>equals</i>		
Cost per tonne processed	\$ 58.60	\$ 57.30

Paciência Cash Operating Cost per tonne processed	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs	\$ 8,380,000	\$ 15,581,000
Change in inventory ²	(1,202,000)	(1,397,000)
Operational cost of gold produced ³	7,178,000	14,184,000
<i>divided by</i>		
Tonnes processed	145,146	299,883
<i>equals</i>		
Cost per tonne processed	\$ 49.50	\$ 47.30

Sabar Cash Operating Cost per tonne processed	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production cost	\$ 1,529,000	\$ 2,589,000
Change in inventory ²	1,725,000	638,000
Operational cost of gold produced ³	3,254,000	3,227,000
<i>divided by</i>		
Tonnes processed	134,022	134,022
<i>equals</i>		
Cost per tonne processed	\$ 24.30	\$ 24.10

Summary of Cash Operating Cost per oz of gold produced	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs per statement of operations ¹	\$ 17,535,000	\$ 33,517,000
Change in inventory ²	1,458,000	(1,121,000)
Operational cost of gold produced ³	18,993,000	32,396,000
<i>divided by</i>		
Gold produced (oz)	40,758	73,627
<i>equals</i>		
Cost per oz of gold produced	\$ 466	\$ 440

Turmalina Plant Cash Operating Cost per oz produced	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs	\$ 7,626,000	\$ 15,347,000
Change in inventory ²	406,000	(779,000)
Operational cost of gold produced ³	8,032,000	14,568,000
<i>divided by</i>		
Gold produced (oz)	19,868	38,637
<i>equals</i>		
Cost per oz of gold produced	\$ 404	\$ 377

Paciência Plant Cash Operating Cost per oz produced	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs	\$ 8,380,000	\$ 15,581,000
Change in inventory ²	(554,000)	(863,000)
Operational cost of gold produced ³	7,826,000	14,718,000
<i>divided by</i>		
Gold produced (oz)	15,939	30,037
<i>equals</i>		
Cost per oz of gold produced	\$ 491	\$ 490

Sabar Cash Operating Cost per oz produced	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Production costs	\$ 1,529,000	\$ 2,589,000
Change in inventory ²	1,606,000	521,000
Operational cost of gold produced ³	3,135,000	3,110,000
<i>divided by</i>		
Gold produced (oz)	4,952	4,952
<i>equals</i>		
Cost per oz of gold produced	\$ 633	\$ 628

¹Production costs do not include cost of goods sold adjustment of approximately \$1.0 million for the three months ended June 30, 2009 and \$2.1 million for the six months ended June 30, 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 readers should refer to those filings for the associated footnotes which are an integral part of the tables.

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

	June 30, 2009	December 31, 2008
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 79,220	\$ 20,560
Inventory	24,221	19,946
Prepaid expenses and sundry assets	6,821	5,351
	110,262	45,857
Prepaid expenses and sundry assets	37,255	26,164
Net smelter royalty	1,006	1,006
Restricted cash	3,107	3,106
Property, plant and equipment	156,266	148,422
Mineral exploration projects	86,015	79,279
	\$ 393,911	\$ 303,834
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,044	\$ 13,416
Notes payable	5,332	4,319
Income taxes payable	10,342	8,626
Asset retirement obligations	1,101	1,337
Unrealized foreign exchange losses	-	2,421
	34,819	30,119
Deferred compensation liability	2,672	434
Notes payable	71,602	69,729
Future income taxes	2,483	-
Asset retirement obligations	7,162	6,828
Total liabilities	118,738	107,110
Shareholders' equity		
Common shares	308,924	245,067
Stock options	19,168	19,059
Contributed surplus	1,167	1,167
Deficit	(54,086)	(68,569)
	275,173	196,724
Commitments	\$ 393,911	\$ 303,834

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

(unaudited)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Gold sales	\$ 32,786	\$ 21,187	\$ 66,072	\$ 39,984
Production costs	(18,568)	(12,795)	(35,651)	(22,141)
Stock-based compensation	(155)	-	(181)	-
Depletion and amortization	(4,952)	(2,379)	(9,835)	(4,494)
Gross profit	9,111	6,013	20,405	13,349
Operating expenses:				
Exploration	691	1,037	1,330	1,849
Stock-based compensation	1,090	219	2,084	493
Administration	4,059	2,897	7,821	5,915
Management fees	278	186	802	375
Amortization	114	53	216	107
Accretion expense	192	65	380	135
Other	141	(578)	895	416
Total operating expenses	6,565	3,879	13,528	9,290
Income before the following	2,546	2,134	6,877	4,059
Loss on forward derivatives	-	-	-	318
Gain on forward foreign exchange derivatives	(540)	(1,191)	(827)	(1,584)
Foreign exchange gain	(10,414)	(5,691)	(12,992)	(7,939)
Interest expense	2,650	3,088	4,864	7,158
Interest income	(1,251)	(1,457)	(1,750)	(2,702)
Gain on disposition of property	(455)	-	(915)	-
Other non-operating expenses (recovery)	-	(313)	741	(371)
Total other expenses (recoveries)	(10,010)	(5,564)	(10,879)	(5,120)
Income before income taxes	12,556	7,698	17,756	9,179
Income taxes				
Current income taxes	349	1,840	790	4,221
Future income taxes	2,483	6,209	2,483	4,471
Total income taxes	2,832	8,049	3,273	8,692
Net income (loss) and comprehensive income (loss) for the period	9,724	(351)	14,483	487
Basic net income (loss) per share	\$ 0.12	\$ (0.01)	\$ 0.20	\$ 0.01
Diluted net income (loss) per share	\$ 0.12	\$ (0.01)	\$ 0.19	\$ 0.01
Weighted average number of common shares outstanding -Basic	77,957,007	64,161,622	73,315,017	61,796,255
Weighted average number of common shares outstanding- Diluted	79,787,135	64,161,622	74,685,075	65,311,115

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

(unaudited)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Cash provided by (used in):				
Operating activities:				
Net income (loss) and comprehensive income (loss)	\$ 9,724	\$ (351)	\$ 14,483	\$ 487
Items not involving cash:				
Unrealized foreign exchange gain	(5,633)	(2,869)	(8,665)	(1,695)
Stock-based compensation	1,245	219	2,265	493
Non-cash interest expense	683	586	1,044	1,979
Accretion expense	192	65	380	135
Future income taxes	2,483	6,209	2,483	4,471
Depletion and amortization	5,066	2,379	10,052	4,494
Amortization of net smelter royalty	-	80	-	157
Unrealized loss (gain) on foreign exchange contracts	(880)	(535)	(2,421)	343
Reclamation expenditure	(283)	-	(283)	-
	12,597	5,783	19,338	10,864
Change in non-cash operating working capital				
Accounts receivable	-	(2,021)	-	(7,800)
Inventory	(2,860)	(1,752)	(3,164)	(2,371)
Prepaid expenses and sundry assets	(4,605)	(4,387)	(4,879)	(8,139)
Accounts payable and accrued liabilities	5,277	(621)	4,858	856
Current taxes payable	1,547	1,840	1,717	3,164
	11,956	(1,158)	17,870	(3,426)
Financing activities:				
Issuance of common shares, special warrants and warrants, net	226	153	63,692	105,803
Increase in restricted cash	(1)	-	(1)	-
Shares purchased for cancellation	-	(2,780)	-	(3,442)
Settlement of forward derivatives	-	-	-	(14,500)
Repayment of debt	(2,274)	(3,565)	(2,561)	(14,793)
Increase in debt	-	-	-	3,867
	(2,049)	(6,192)	61,130	76,935
Investing activities				
Mineral exploration projects	(5,440)	(12,200)	(7,109)	(22,394)
Purchase of property, plant and equipment	(14,640)	(17,574)	(18,538)	(33,229)
	(20,080)	(29,774)	(25,647)	(55,623)
Effect of foreign exchange on non-U.S. dollar denominated cash and cash equivalents				
Increase (decrease) in cash and cash equivalents	4,702	1,727	5,307	(2,322)
Cash and cash equivalents, beginning of period	(5,471)	(35,397)	58,660	15,564
Cash and cash equivalents, beginning of period	84,691	96,672	20,560	45,711
Cash and cash equivalents, end of period	\$ 79,220	\$ 61,275	\$ 79,220	\$ 61,275

Conference Call Details

The Company will hold a conference call tomorrow, August 11 at 10:00 a.m. ET, 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:	81109
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. Jaguar is actively exploring and developing additional mineral resources at its 93,000-acre land base in Minas Gerais and on an additional 182,000 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.

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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 steadily gain of the Company's financial performance, including operating cash flow and earnings. 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.

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