



## **PRESS RELEASE**

March 12, 2007  
Concord, New Hampshire

2007-09  
JAG – TSX

### **Jaguar Mining and Xstrata Form Joint Venture to Explore Promising Greenstone Belt in Northern Brazil** *Preliminary Exploration Effort Reveals Significant Mineralization*

**Jaguar Mining Inc. (“Jaguar” or “the Company”)** (JAG-TSX) reports that it has entered into a formal agreement with Xstrata plc (“Xstrata”) for Jaguar to explore the Pedra Branca Gold Project (“Project”) in the State of Ceará in Northern Brazil. Under the terms of the agreement, Jaguar and Xstrata will form a joint venture company or companies to mine economic gold deposits in the Project. For an aggregate fee of US\$150,000 over the next two years, Jaguar will have the option to hold a 51 percent ownership interest in the new enterprise by investing an aggregate US\$3.85 million in exploration expenditures within the next four years. Jaguar is subject to annual exploration expenditure targets for each year in which it maintains the option. Jaguar has the opportunity to increase its ownership interest in certain gold deposits to 60 percent through a further investment of US\$3.0 million by the fifth anniversary of the agreement, subject to the rights of Xstrata to return to their 49 percent interest through additional contributions to the joint venture, for certain properties which have gold deposits of two million ounces or more. Certain properties within the Project that are dominated by base metal deposits, or which have gold deposits of less than one million ounces, may be held in different ownership percentages and be subject to different conditions, or removed from the joint venture.

The Jaguar-Xstrata joint venture has mineral rights to 37 concessions totaling approximately 159,000 acres in a 65-km shear zone. The concessions are located in and around municipal areas with excellent infrastructure. The area is characterized by relatively dry weather, facilitating year-round operations.

Xstrata’s exploration team has performed preliminary work on two large anomalies referred to as Coelho and Mirador. The initial exploration work on these two targets include:

- a. Geophysical mapping
- b. Drainage geochemistry: 625 samples
- c. Soil geochemistry: 6,570 samples
- d. Trenches: 2,822m
- e. Channel and ship samples: 2,249 units

The relatively shallow work to-date on the Coelho and Mirador targets has provided some promising results with respect to gold mineralization averaging between 2.3-2.5 g/t observed in the 21 surface samples taken by Xstrata. Based on this information, which was provided to Jaguar in greater detail, Jaguar intends to conduct further exploration at the Project to determine the extent of the gold resources at Pedra Branca. If mineralization is determined to exist in commercial quantities, Jaguar intends to prepare and file a technical report consistent with National Instrument 43-101 at the appropriate time.

For the most part, the mineralized formations uncovered by Xstrata’s preliminary efforts are open along the extremity and lead both companies’ geologists to believe the area has significant potential for gold

mineralization, which could include the presence of both oxide and sulfide formations in large structures.

The preliminary exploration program carried out by Xstrata only covered 25 km of this zone, with 10 km of soil anomalies identified. Jaguar intends to develop and execute a comprehensive exploration program at the Project during 2007 and 2008 to further delineate and measure the gold mineralization through further trenching and diamond core drilling.

Commenting on the venture with Xstrata, Daniel R. Titcomb, Jaguar's President and CEO stated, "We are very pleased and excited to be partnering with Xstrata in a separate greenstone belt geological setting that could contain large gold-bearing structures. We take pride that Xstrata sought to partner with Jaguar on this exciting venture, further strengthening our belief that Jaguar has one of the finest exploration and operating teams in the industry."

### **About Jaguar**

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 72,000 acre land base. Additional information is available on the Company's website at [www.jaguarmining.com](http://www.jaguarmining.com).

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#### **Forward Looking Statements**

This press release contains forward-looking statements concerning Jaguar's ownership in the Project and its intention to develop and execute an exploration program. Forward-looking statements can be identified by the use of words, such as "are expected", "is forecast", "intend", approximately or variations of such words and phrases or state 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 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 ecological 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. 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, 2005 filed on System for Electronic Document Analysis and Retrieval ("SEDAR") and available at <http://www.sedar.com>.