



## **CORRECTED PRESS RELEASE**

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JAG – TSX

### **Jaguar Mining Reports Q4 and FY 2006 Earnings** *Company in Strongest Position Ever to Deliver on Plans*

**Jaguar Mining Inc. (“Jaguar” or “the Company”) (JAG-TSX)** reports its financial and operational results for the period ended December 31, 2006. **All figures are in U.S. dollars unless otherwise indicated.**

**Editor’s Note: Jaguar’s Consolidated Statement of Cash Flows has been corrected and has been included in this revised press release.**

#### **FY 2006 Highlights**

- Net loss of \$12.7 million or \$0.30 per fully diluted share compared to a net loss of \$12.8 million or \$0.41 per fully diluted share for 2005, of which;
- \$12.8 million was for non-cash charges for stock-based compensation costs of \$6.0 million and unrealized forward sales derivative losses of \$6.8 million exceeded the reported FY 2006 loss.
- Operating cash flow before changes in non-cash working capital resulted in \$2.0 million of cash generated in 2006 compared to \$3.0 million of cash consumed in 2005.
- Gold production of 37,876 ounces (“oz”) and gold sales of 34,880 oz at an average realized price of \$607/oz;
- Despite the Brazilian real (“R\$”) increasing over 10% against the U.S. dollar (“US\$”) during the year, Jaguar’s cash operating costs decreased 30% averaging \$370/oz for 2006 versus \$528/oz for 2005;
- More than doubled proven and probable reserves to 770,000 oz from 370,000 oz in 2005;
- Invested \$51.1 million in Jaguar’s future: new facilities, exploration and feasibility studies in 2006;
- Cash balance of \$14.8 million at year-end; working capital of \$11.0 million.
- Completed construction of Turmalina operation in 11 months and commissioned Phase I during the fourth quarter and recorded the first gold pour in early-January.
- Invested in new personnel to continue expansion effort to 300,000 oz of production in 2009 and in new systems to safeguard the integrity of financial reports.

#### **Q4 2006 Highlights**

- Revenue of \$6.3 million for the quarter, a four-fold increase over Q4 2005;
- Produced 9,303 oz and sold 10,373 oz at a realized price of \$608/oz versus sales of 3,202 oz at a realized price of \$482/oz in Q4 2005;
- Q4 cash operating costs averaged \$372/oz;
- Excluding gold produced at operations that were discontinued during Q4, cash operating costs averaged \$290/oz representing 84% of Q4 production;
- Invested \$17.6 million in project development, feasibility studies and exploration;
- Completed the initial phase of a scoping study to convert and expand the existing Caeté oxide operation to a sulfide process using ore from the Pilar mine as well as from the Roça Grande mineral property;
- Non-cash charges for stock-based compensation costs of \$3,064,000 and unrealized forward sales derivative losses of \$2,439,000 represented approximately 85% of the reported Q4 pre-tax loss.

#### **Subsequent Events in Q1 2007**

- Raised net proceeds of Cdn.\$82.7 million through the private placement of units at minimal dilution to existing shareholders;

- Announced an early exercise of Jaguar's publicly-traded warrants to raise up to Cdn.\$24.3 million and received approval from warrantholders and shareholders to proceed with the effort;
- Completed the pre-feasibility study on the Paciência Santa Isabel project to add 75,000 oz of average annual gold production beginning in mid-2008;
- Reported proven and probable reserves of 1.14 million oz as of March 22, 2007;
- Entered into a Joint Venture agreement with Xstrata plc for Jaguar to explore the Pedra Branca Gold Project in the State of Ceará in Northern Brazil.
- Received approval from the NYSE Group to proceed with the necessary regulatory filings and review process to list on the NYSE Arca Exchange.

### **2006 Fourth Quarter Results**

For the quarter ending December 31, 2006, the Company recorded revenue of \$6.3 million from the sale of 10,373 ounces of gold based upon an average realized price of \$608/oz. This compares to revenue of \$1.5 million from the sale of 3,202 ounces of gold at an average price of \$482/oz for the same period in 2005. Gold production for Q4 2006 totaled 9,303 ounces at an average cash operating cost of \$372/oz. Net loss for Q4 2006 was \$6.2 million or \$0.13 per fully-diluted share, versus a reported net loss of \$6.8 million or \$0.21 per share, for the same period last year. Approximately 85% of the reported fourth quarter pre-tax loss represented non-cash charges for stock-based compensation and the loss on forward sales derivatives. Operating costs for the quarter were negatively impacted by unabsorbed local overhead on limited production and certain non-recurring charges, including:

- (a) the cessation of oxide gold production at Caeté and,
- (b) the commissioning of Turmalina.

Overall costs for administration also increased during the fourth quarter mainly due to increased staffing needs related to the management of the engineering, procurement and construction (EPC) department as a result of Jaguar's expansion of operations in Brazil. In addition, costs increased due to the strengthening of the R\$ against the US\$, new management information systems implementation, and consulting fees related to the assessment of internal controls and procedures.

Commenting on the 2006 results, Daniel R. Titcomb, Jaguar's President and CEO stated, "2006 was a very productive and successful year for Jaguar. We demonstrated that we could design, build and start-up new low-cost operations and continue expanding our resource base through a highly-focused drilling program. Today our operations are generating cash and we expect operating cash flow to rise significantly as Turmalina gains stride and the new facilities are brought on-stream. At the end of the first quarter, we are now in the strongest position ever to build significant shareholder value. Upon completion of the two corporate initiatives we recently conducted, the early exercise of outstanding warrants and the private placement of units, will raise our cash resources by over \$90 million. We are now fully-capitalized to deliver on our target to produce 300,000 oz of gold in 2009 at a cost structure that would place us in the lower quartile of all primary producers. Jaguar's entire organization is executing on plan to achieve that target."

### **Outlook**

The Company has provided a forecast of estimated production, cash operating costs and capital spending plans for the 2007 to 2009 period in documents as filed on SEDAR and is available at <http://www.sedar.com>. This same information can also be found on the Company's web site in the Corporate Presentation section under the Investor Relations tab at [www.jaguarmining.com](http://www.jaguarmining.com).

### **Conference Call Details**

Jaguar will be holding a conference call March 27, at 10:00 am EDT to discuss its 2006 fourth quarter and annual results.

North American participants may access the call toll-free by dialing 800-870-0018. International participants should call 310-287-9836. Persons wishing to participate in this conference call are asked to dial-in at least five minutes prior to the start time to ensure prompt access to the call.

Jaguar will provide a web cast of this call over the Internet, which can be accessed from the Calendar of Events tab located on the Company's homepage at [www.jaguarmining.com](http://www.jaguarmining.com). An archive of the web cast and the audio replay will be available approximately one hour after the call ends through April 13, 2007. The audio replay can be accessed by calling 800-675-9924 from North America or 310-287-9926 outside of North America. The replay ID number is 32707. The web cast will be available through the Company's homepage until April 13, 2007.

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

### **For Information:**

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### **Forward Looking Statements**

This press release contains Forward-Looking Statements concerning Jaguar's 2007 objectives, the measured and indicated resources, their average grade, the commencement period of production, cash operating costs and completion dates of feasibility studies, gold production and sales targets, capital expenditure costs, future profitability and growth in reserves. Forward-Looking Statements can be identified by the use of words, such as "are expected", "is forecast", "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 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 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>. Further information about the Company is available on SEDAR and on its corporate website [www.jaguarmining.com](http://www.jaguarmining.com).

# JAGUAR MINING INC.

Consolidated Balance Sheet  
 (Expressed in thousands of U.S. dollars)  
 December 31, 2006 and 2005

	December 31, 2006	December 31, 2005
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 14,759	\$ 9,533
Accounts receivable	1,742	581
Inventory (Note 4)	5,297	1,573
Prepaid expenses and sundry assets (Note 6)	4,812	2,347
	<b>26,610</b>	<b>14,034</b>
Prepaid expenses and sundry assets (Note 6)	9,657	4,668
Unrealized foreign exchange gains (Note 16(b)(ii))	709	-
Loan receivable (Note 3)	-	1,631
Net smelter royalty (Note 5)	1,535	-
Restricted cash (Note 17)	6,027	-
Plant and equipment (Note 7)	37,496	12,663
Mineral exploration projects and mining properties (Note 8)	42,096	18,239
	<b>\$ 124,130</b>	<b>\$ 51,235</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 6,625	\$ 4,765
Current portion of notes payable (Note 10)	5,274	1,439
Asset retirement obligations (Note 9)	289	137
Forward sales derivative liability (Note 16(b)(i))	3,388	-
	<b>15,576</b>	<b>6,341</b>
Forward sales derivative liability (Note 16(b)(ii))	6,828	3,393
Notes payable (Note 10)	10,550	799
Future income taxes (Note 11)	421	629
Asset retirement obligations (Note 9)	1,380	74
Total liabilities	<b>34,755</b>	<b>11,236</b>
<b>Shareholders' equity</b>		
Common shares (Note 12(a))	106,834	48,013
Warrants (Note 12(b))	4,072	6,554
Stock options (Note 12(c))	8,745	4,026
Contributed surplus (Note 12(d))	1,149	117
Deficit	(31,425)	(18,711)
	<b>89,375</b>	<b>39,999</b>
Commitments (Notes 8,16 and 18)		
Subsequent events (Notes 5 and 20)		
	<b>\$ 124,130</b>	<b>\$ 51,235</b>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

**Gary E. German** Director

**Daniel R. Titcomb** Director

# JAGUAR MINING INC.

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

	Year Ended December 31, 2006	Year Ended December 31, 2005
Gold sales	\$ 21,179	\$ 8,510
Production costs	(13,195)	(6,932)
Other cost of goods sold	(447)	-
Write down of inventory (Note 19)	-	(4,521)
Depletion and amortization	(2,376)	(1,773)
<b>Gross profit (loss)</b>	<b>5,161</b>	<b>(4,716)</b>
Operating expenses:		
Exploration	183	85
Stock-based compensation (Note 12(c))	5,990	1,791
Administration	7,375	4,474
Management fees (Note 14(a))	739	1,014
Accretion expense	27	7
Other	486	356
<b>Total operating expenses</b>	<b>14,800</b>	<b>7,727</b>
<b>Loss before the following</b>	<b>(9,639)</b>	<b>(12,443)</b>
Unrealized loss on forward sales derivatives (Note 16(b)(i))	6,823	3,393
Realized loss on forward sales derivatives (Note 16(b)(i))	-	150
Unrealized gain on forward foreign exchange derivatives (Note 16(b)(ii))	(709)	-
Realized loss (gain) on forward foreign exchange derivatives (Note 16(b)(ii))	(846)	-
Foreign exchange gain	(1,871)	(1,093)
Amortization of deferred financing expense	698	-
Interest expense	270	184
Interest income	(1,582)	(1,631)
<b>Total other expenses</b>	<b>2,783</b>	<b>1,003</b>
<b>Loss before income taxes</b>	<b>(12,422)</b>	<b>(13,446)</b>
Income taxes (Note 11)		
Current income taxes	591	185
Future income taxes (recovered)	(267)	(793)
<b>Total income taxes (recovered)</b>	<b>324</b>	<b>(608)</b>
<b>Net loss for the year</b>	<b>(12,746)</b>	<b>(12,838)</b>
Deficit, beginning of year	(18,711)	(5,913)
Shares acquired for cancellation (Note 12(a)(iii))	(2)	-
Interest income - share purchase loans (Note 12(a)(i))	34	40
<b>Deficit, end of year</b>	<b>\$ (31,425)</b>	<b>\$ (18,711)</b>
Basic and diluted net loss per share (Note 13)	\$ (0.30)	\$ (0.41)
Weighted average common shares outstanding (Note 13)	43,114,563	31,266,914

See accompanying notes to consolidated financial statements.

# JAGUAR MINING INC.

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

	Year Ended December 31, 2006	Year Ended December 31, 2005
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the year	\$ (12,746)	\$ (12,838)
Items not involving cash:		
Unrealized foreign exchange (gain) loss	(70)	172
Stock-based compensation	5,990	1,791
Amortization of deferred financing costs	698	-
Accretion expense	27	7
Future income taxes recovered	(267)	(793)
Depletion and amortization	2,376	1,773
Interest on loans receivable	(102)	(1,051)
Write down of inventory	-	4,521
Unrealized loss on forward sales derivatives	6,823	3,393
Unrealized gain on foreign exchange contracts	(709)	-
Change in non-cash operating working capital		
Accounts receivable	(1,161)	(581)
Inventory	(2,193)	(2,605)
Prepaid expenses and sundry assets	(8,118)	(4,046)
Accounts payable and accrued liabilities	1,860	2,551
Asset retirement obligations	(105)	-
	(7,697)	(7,706)
Financing activities:		
Repayment of loans receivable	-	649
Issuance of common shares, special warrants and warrants, net	56,102	5,125
Shares purchased for cancellation	(4)	-
Increase in restricted cash	(6,027)	-
Repayment of debt	(2,028)	(1,406)
Increase in debt	14,965	-
	63,008	4,368
Investing activities		
Mineral exploration projects and mining properties	(24,663)	(9,947)
Advances to Prometálica	-	(1,622)
Repayment from Prometálica	-	4,509
Purchase of plant and equipment	(25,422)	(9,560)
	(50,085)	(16,620)
Increase (decrease) in cash and cash equivalents	5,226	(19,958)
Cash and cash equivalents, beginning of year	9,533	29,491
Cash and cash equivalents, end of year	\$ 14,759	\$ 9,533

Supplemental cash flow information (Note 15)

See accompanying notes to consolidated financial statements.