



PRESS RELEASE

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Jaguar Mining Reports Q2 2007 Earnings

Growth in Production Leads to Record Sales, Adjusted Cash Flow Totals \$5.8 Million

Jaguar Mining Inc. (“Jaguar” or the “Company”) (**JAG: TSX/NYSE Arca, JAG.NT: TSX**) reports its financial and operational results for the period ended June 30, 2007. All figures are in U.S. dollars unless otherwise indicated.

Q2 2007 Highlights

- Revenue totaled \$11.4 million, an increase of 109% from the same period last year;
- Gross profit rose to \$4.3 million compared to \$1.2 million for the same period in 2006;
- Positive operating cash flow from operating activities of \$2.8 million compared to negative cash flow of \$0.6 million in Q2 2006. Operating cash flow before changes in working capital totaled \$5.8 million during the quarter compared to \$2.2 million in Q2 2006;
- Net loss of \$3.7 million or \$0.07 per fully diluted share compared to a net loss of \$2.8 million or \$0.06 per fully diluted share in Q2 2006;
- Non-cash charges for stock option related expenses of \$4.0 million significantly impacted net earnings by \$0.07 per diluted share. Excluding the non-cash charge for stock option related expenses, adjusted income totaled \$355,000 or \$0.01 per diluted share compared to a loss of \$149,000 or \$0.00 per diluted share in Q2 2006;
- Gold production of 17,188 ounces (“oz”) and gold sales of 17,177 oz at an average realized price of \$665/oz compared to production of 10,114 oz and sales of 8,763 oz at an average price of \$624/oz in Q2 2006;
- Cash operating costs averaged \$328/oz for Q2 2007 compared to \$376/oz for the same period in 2006. Cash operating costs of \$258/oz at Turmalina operation, which represented over 60% of 2007 year-to-date gold production;
- Total cash and restricted cash of \$86.3 million including \$3.3 million of restricted cash, most of which is related to foreign exchange hedges;
- Invested approximately \$12.2 million in growth initiatives during Q2 2007, primarily at the Company’s Paciência and Caeté Projects under development;
- Measured and indicated gold resources increased to approximately 2.9 million oz or by 10% from the resource base reported in early 2007; inferred resources increased 8% to 850,210 oz. These results were reported by the Company on July 19, 2007;
- Turmalina Operations declared ‘Commercial’;
- Paciência feasibility study finalized and 40% of project completed at June 30, which is advancing on budget and on schedule;
- Caeté feasibility study advanced and will be completed during Q3 2007 and
- All permits needed for development of the projects underway in Brazil have been granted.

Commenting on the second quarter results, Daniel R. Titcomb, Jaguar's President and CEO stated, "With Turmalina now operating at commercial rates of production, and at current gold prices, our operating cash flow will accelerate over the next several quarters as we bring on-line new low-cost sources of production at Paciência and Caeté. We believe Jaguar is uniquely positioned to rapidly deliver increased shareholder value: our resource base in Brazil is trending higher and will continue to grow significantly through our aggressive exploration program; our experienced operating team in Brazil is unmatched in building new low-cost mines and processing facilities on schedule; and we have the financial resources in-hand to capitalize on our plan to reach 300,000 oz of gold production in 2009."

2007 Second Quarter Results

Jaguar's adjusted cash flow from operating activities benefited from growth in sales volumes at higher prices and totaled approximately \$5.8 million in Q2 as shown in the following table:

Adjusted Cash Flows from Operating Activities

A non-GAAP Measure

(Expressed in thousands of U.S. dollars)

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
Cash flow from operating activities as Reported	\$ 2,819	\$ 996	\$ (571)	\$ (3,214)
Adjustment:				
Change in non-cash operating working capital	2,970	5,717	2,785	4,681
Adjusted cash flow from operating activities	\$ 5,789	\$ 6,713	\$ 2,214	\$ 1,467

For the quarter ending June 30, 2007, the Company exhibited strong growth with record revenue of \$11.4 million from the sale of 17,177 oz of gold at an average realized price of \$665/oz. This compares to revenue of \$5.5 million from the sale of 8,763 oz of gold at an average price of \$624/oz for the same period in 2006. Gold production for Q2 2007 totaled 17,188 oz at an average cash operating cost of \$328/oz compared to production of 10,114 oz and average cash operating costs of \$376/oz for Q2 2006. Net loss for Q2 2007 was \$3.7 million or \$0.07 per fully-diluted share versus a reported net loss of \$2.8 million or \$0.06 per share for the same period last year.

A summary of key operating results follows:

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
Sales (\$000)	\$ 11,415	\$ 17,957	\$ 5,471	\$ 7,596
Oz sold	17,177	27,062	8,763	12,549
Average realized price \$ / oz	\$ 665	\$ 664	\$ 624	\$ 605
Gross profit (\$000)	\$ 4,342	\$ 7,704	\$ 1,221	\$ 1,132
Net loss (\$000)	\$ (3,685)	\$ (4,181)	\$ (2,841)	\$ (9,005)
- per share basic	\$ (0.07)	\$ (0.08)	\$ (0.06)	\$ (0.23)
- per share diluted	\$ (0.07)	\$ (0.08)	\$ (0.06)	\$ (0.23)
Weighted avg. shares outstanding	55,239,628	51,831,209	45,783,120	40,063,903
Diluted shares outstanding	55,239,628	51,831,209	45,783,120	40,063,903

The reported loss for Q2 2007 includes non-cash charges of \$4.0 million for stock option related expenses, which impacted net earnings by \$0.07 per diluted share.

Adjusted Net Income (Loss)

A non-GAAP Measure

(Expressed in thousands of U.S. dollars except per share amounts)

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
Net loss per consolidated financial statements	\$ (3,685)	\$ (4,181)	\$ (2,841)	\$ (9,005)
Adjustment:				
Stock-based compensation	4,040	4,241	2,692	2,797
Adjusted income (loss)	355	60	(149)	(6,208)
Adjusted income (loss) per share	\$ 0.01	\$ 0.00	\$ 0.00	\$ (0.16)

Approximately two-thirds of the Company's cash and cash equivalents of \$86.3 million held at June 30 were in accounts in Brazil. Variations in the relative currencies (Canadian dollar versus U.S. dollar versus Brazilian real) will likely give rise to realized and unrealized credits or charges in future periods, which could materially impact the Company's reported income.

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, 2007.

Outlook

The Company currently estimates 2007 gold production at approximately 81,000 oz with average cash operating costs ranging between \$300 and \$315 per oz. The Company's current outlook is based on an exchange rate between the Brazilian real and the U.S. dollar of R\$1.90 = US\$1. As previously announced by Jaguar on July 19, 2007, the Company does have forward exchange contracts in-place to mitigate some of the impact if the U.S. dollar weakens further against the Brazilian real. Although not reported as such, applying the gain from these foreign exchange instruments against production would reduce average cash production costs by an estimated \$20 per oz from the estimates provided above.

Analyst Meeting and Tour: October 16-19

The Company currently has two major gold projects under development in Brazil which will significantly expand production over the next 18 months. Jaguar will hold an analyst meeting and tour the Company's operations and projects under development in Minas Gerais, Brazil, beginning October 16, 2007. The Company is coordinating this trip with Aquiline Resources, which will conduct a tour at its properties in Argentina the following week. Qualified individuals interested in taking a tour of either Jaguar's operations or Aquiline's properties should contact Valéria DioDato for additional information.

NON-GAAP PERFORMANCE MEASURES

The Company has included the non-GAAP performance measures listed 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, certain investors use this information to evaluate the Company's performance. Accordingly, they 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 these figures are a useful indicator to investors and management 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 in the 'Cash Operating Cost per ounce processed' table below.

The Company uses the financial measures "adjusted net income (loss)" and "adjusted net income (loss) per share" to supplement its consolidated financial statements. The presentation of adjusted measures are not meant to be a substitute for net income (loss) or net income (loss) per share presented in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures. Adjusted net income (loss) and adjusted net income (loss) per share are calculated as net income (loss) excluding stock based compensation expense. The terms "adjusted net income (loss)" and "adjusted net income (loss) per share" do 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 net income (loss) and adjusted net income (loss) per share provide useful information to investors because they exclude a certain non-cash charge and are a better indication of the Company's profitability from operations. The item excluded from the computation of adjusted net income (loss) and adjusted net income (loss) per share, which is otherwise included in the determination of net income (loss) and net income (loss) per share prepared in accordance with Canadian GAAP, is an item 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 profitability.

The Company uses the financial measure "adjusted cash flows from operating activity" to supplement its consolidated financial statements. The presentation of adjusted cash flows from operating activity 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 activity is calculated as operating cash flow excluding the change in non-cash operating working capital. The term adjusted cash flows from operating activity 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 activity 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 items excluded from the computation of adjusted cash flows from operating activity, which are otherwise 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.

Adjusted Cash Flows from Operating Activity

A non-GAAP Measure

(Expressed in thousands of U.S. dollars)

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
Operating Cash Flow as Reported	\$ 2,819	\$ 996	\$ (571)	\$ (3,214)
Adjustment:				
Change in non-cash operating working capital	<u>2,970</u>	<u>5,717</u>	<u>2,785</u>	<u>4,681</u>
Operating Cash Flow before changes in working capital	\$ 5,789	\$ 6,713	\$ 2,214	\$ 1,467

Cash Operating Cost per oz Processed

A non-GAAP Measure

Summary of All Plants Cash Operating Cost per oz Processed

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
Production cost per statement of operations	\$ 5,750,000	\$ 8,632,000	\$ 3,322,000	\$ 4,880,000
Change in inventory ¹	\$ (114,000)	\$ 300,000	\$ 480,000	\$ 1,186,000
Production cost of gold produced	\$ 5,636,000	\$ 8,932,000	\$ 3,802,000	\$ 6,066,000
<i>divided by</i>				
Gold produced (oz)	17,188	29,317	10,114	16,530
<i>equals</i>				
Cost per oz processed	\$ 328	\$ 305	\$ 376	\$ 367

¹Under 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.

Adjusted Net Income (Loss)

A non-GAAP Measure

(Expressed in thousands of U.S. dollars except per share amounts)

	Q2 2007	YTD 2007	Q2 2006	YTD 2006
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Adjustment:				
Stock-based compensation	4,040	4,241	2,692	2,797
Adjusted income (loss)	355	60	(149)	(6,208)
Adjusted income (loss) per share	\$ 0.01	\$ 0.00	\$ 0.00	\$ (0.16)

Conference Call Details

Jaguar will be holding a conference call August 10, at 10:00 am EDT to discuss its 2007 second quarter results.

North American participants may access the call toll-free by dialing 866-900-4867. International participants should call 213-416-2194. 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. An archive of the web cast and the audio replay will be available approximately one hour after the call ends through September 10, 2007. The audio replay can be accessed by calling 800-675-9924 from North America or 213-416-2185 outside of North America. The replay ID number is 81007. The web cast will be available through the Company's homepage until September 10, 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.

For Information:

Investors and analysts:

Bob Zwerneman
Director of Investor Relations
603-224-4800
bobz@jaguarmining.com

Media inquiries:

Valéria Rezende DioDato
Director of Communication
603-224-4800
valeria@jaguarmining.com

Resource estimation was reviewed by Ivan C. Machado, M.Sc., P.E., P.Eng., Principal of Salt Lake City based TechnoMine Services, LLC. Mr. Machado serves as Jaguar's independent Qualified Person in accordance with NI 43-101

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 Jaguar's future 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" as filed in the Company's Annual Information Form for the year ended December 31, 2006 filed on SEDAR and available at www.sedar.com, and its filings, including the Company's Registration Statement on Form 40-F filed with the U.S. Securities and Exchange Commission on June 18, 2007, which are available at www.sec.gov through EDGAR.

This press release presents estimates of future "total cash cost per ounce" that are not recognized measures under United States generally accepted accounting principles ("US GAAP"). This data may not be comparable to data presented by other gold producers. These future estimates are based upon the total cash costs per ounce that the Company expects to incur to mine gold at the applicable projects and do not include production costs attributable to accretion expense and other asset retirement costs,

which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable GAAP measure. A reconciliation of the Company's total cash cost per ounce to the most comparable financial measures calculated and presented in accordance with US GAAP for the Company's historical results of operations is set forth in the notes to the financial statements in the Company's Registration Statement on Form 40-F filed with the United States Securities and Exchange Commission on June 18, 2007, as well as the Company's most recent interim and annual financial statements filed with the Canadian Securities Administrators.

Cautionary Note to U.S. Investors concerning estimates of Inferred and Measured and Indicated Resources

This document includes the term "inferred resources" and "measured and indicated resources". The Company advises U.S. investors that while such terms are recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into proven or probable reserves.

"Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic study. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally mineable.

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