



**PRESS RELEASE**

August 15, 2006  
Concord, New Hampshire

2006-17  
JAG – TSX

**JAGUAR MINING REPORTS Q2 2006 RESULTS;  
SIGNIFICANTLY INCREASES PRODUCTION, GROSS PROFIT & GOLD RESERVES**

**Jaguar Mining Inc. (“Jaguar”) (JAG-TSX) reports its financial and operational results for Q2 ended June 30, 2006. All figures are in U.S. dollars unless otherwise indicated.**

**Q2 2006 Highlights**

- Revenue of \$5.5 million for the quarter, an increase of 257% over the prior quarter of 2006;
- Produced 10,114 oz of gold at a cash cost of \$376/oz and sold 8,763 oz at \$624/oz;
- Over 80% of the quarter’s production was achieved at an average cash operating cost of \$330;
- Gross profit from operations for Q2 2006 of \$1.2 million, a ten-fold increase over the prior quarter;
- Positive operating cash flow for Q2 2006 of \$2.2 million before movements in working capital;
- GAAP net loss of \$2.8 million for the quarter, primarily due to non-cash expenses from stock based compensation and unrealized loss on forward sales derivatives;
- Cash balance of \$38.8 million, working capital of \$37.7 million;
- Invested \$9.4 million in project development, feasibility studies and exploration; and
- Increased Turmalina reserves by 58.6% to 587,000 oz, increased mine-life to 8.6 years.

**2006 Second Quarter Results**

Q2 2006 sales revenue was \$5,471,000 from the sale of 8,763 oz of gold at an average price of \$624/oz versus \$1,270,000 from the sale of 2,997 oz of gold at an average price of \$424/oz in Q2 2005. Q2 2006 production was 10,114 oz of gold at a cash cost of \$376/oz. Over 80% of the quarter’s production was achieved at an average cash operating cost of \$330. The net loss for Q2 ended June 30, 2006 was \$2,841,000, or \$0.06 per basic and fully-diluted share, versus a net loss of \$1,405,000, or \$0.05 per share, in Q2 2005. Stock-based compensation costs of \$2,692,000 and unrealized forward sales derivative losses of \$1,655,000 were partially offset by foreign exchange gains of \$2,529,000.

**Operations and Outlook**

Jaguar continues to make significant progress with its overall program of increasing production and converting resources to reserves.

Jaguar began construction of the 60,000 oz/year Turmalina plant in Q1 2006, which is expected to begin operation in Q4 2006. The Turmalina construction is on schedule and budget. In Q2, Jaguar increased the mineral reserve at Turmalina by 58.6% to 587,000 ounces of gold at 6.3g/t contained in 2.9 million tonnes of ore, raising the mine life to 8.6 years. Jaguar has filed an independent National Instrument 43-101 technical report on SEDAR for Turmalina. The report was written by Mr. Graham G. Clow, P.Eng. and Mr. Wayne W. Valliant, P.Geo. of Scott Wilson Roscoe Postle Associates Inc., each of whom is certified under NI 43-101 as a Qualified Person.

Jaguar expects to complete the Pilar and Santa Isabel feasibility studies with decisions in Q3 and Q4 2006, respectively. Santa Isabel is considered the project with the largest potential. The Company has and will continue to focus its exploration on the Santa Isabel Mine. Jaguar has made changes in its operations program for 2006 to optimize results. Recent favorable underground exploration results dictate test mining up to 100,000 tonnes. Therefore, Jaguar is dedicating its available capacity at the

Queiroz Plant of AngloGold Ashanti to process a portion of this ore. The test mining will allow the Company to determine the mining method and complete the feasibility study with a production decision targeted for Q4 2006. Jaguar will be processing the Santa Isabel ore under an amended processing contract with AngloGold Ashanti which advances the Q4 processing capacity to Q3, but will reduce Q4 2006 production.

Management has adjusted the mining method for oxide ore being hauled to Caeté from Pilar. A more selective mine method has been implemented at Pilar which will significantly lower costs by mining, transporting and processing fewer tonnes with higher grade. This operational change also reduces mine dilution risk by minimizing stripping requirements and eliminates a work shift at the Caeté Plant.

The optimization program will result in lower gold production in 2006 but at higher margins. 2006 production is expected to be 43,000 oz at a cash operating cost of \$310 per oz. Despite the revised 2006 production, Jaguar will realize approximately the same 2006 cash flow at today's gold prices, as budgeted.

Jaguar has decided to move the Roça Grande project to feasibility and has started the necessary surface drilling work. The recent scoping study shows positive indications of combining this project's sulphide ore with the nearby Catita Project, resulting in a single larger sulphide plant. Roça Grande has the potential of lowering costs by optimizing existing Jaguar infrastructure through the conversion of the Caeté Plant to processing both Roça Grande and Catita sulphide ore. Greater daily tonnage, faster permitting and utilizing existing infrastructure make this project a priority.

Balancing execution of the 2006 program and managing rapid growth has management's full attention. In the current phase of the Company's development, constant adjustments and optimization are required to maximize value and potential.

### **Liquidity and Capital Spending**

Jaguar raised Cdn.\$60.0 million, prior to expenses, in Q1 2006 by issuing 11.4 million common shares at Cdn.\$5.25 per share. At the end of Q2, it had \$38.8 million in cash and \$37.7 million in working capital. At a projected exchange rate of R\$2.2/\$1.0, Jaguar will spend a total of \$103 million on project development (excluding exploration) of which \$38.7 million has been spent, including \$9.1 million in Q2 2006. Jaguar expects to spend an additional \$36.4 million on project development in 2006 and believes that the funds needed to complete its development program will be available from existing cash balances, operating cash flow and some new project debt likely for the Pilar and Santa Isabel projects after completion of the respective feasibility studies.

### **Human Resources in Brazil**

The majority of Jaguar's staff is in Brazil, where it currently employs 537 people. Rising commodity prices have greatly increased the demand for experienced mining industry personnel but the Company has been able to compete well for and attract needed personnel. The well-established nature of the Company's team in Brazil and the close proximity of all the Company's operations to Belo Horizonte is a significant advantage. Belo Horizonte is a major urban center and the mining capital of Brazil, providing a substantial pool of skilled and experienced labor for Jaguar.

### **Active Growth and Development Program**

Jaguar produces gold in the Iron Quadrangle region of Brazil. Using its experience and strong local relationships, Jaguar continues to acquire quality gold resources from senior mining companies and is preparing feasibility studies targeting the conversion of the acquired resources to reserves. It controls 72,000 acres of gold concessions, which is the second largest gold property portfolio in the district, and continues to aggressively explore its assets in Brazil's most prolific gold region. Jaguar has 45,833,100 common shares outstanding.

### **Conference Call**

Jaguar has scheduled a conference call for **Tuesday, August 15 at 10:00 am EDT** to discuss its 2006 second quarter interim financial and operational results. North American participants can access the call toll-free by dialing **877-885-6386**. International participants should call 706-679-7391. The conference ID is **4598402**.

Jaguar will also be webcasting this call at <http://www.vcall.com/IC/CEPage.asp?ID=108065>.

Daniel R. Titcomb, President and CEO will host the conference. There will be a question and answer period at the end of the call. Please call in at least five minutes prior to the conference call start time to ensure prompt access to the call. You will be asked to provide your name, telephone number and company affiliation.

An audio replay will be available approximately two hours after the call ends through September 15, 2006, and can be accessed by calling 800-642-1687 from North America or 706-645-9291. The webcast replay will be available until September 15, 2006.

For further information, please contact Daniel Titcomb, President and Chief Executive Officer or James Roller, Chief Financial Officer on (603) 224-4800.

This press release contains forward-looking statements concerning Jaguar's 2006 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>.