



# AGILITY AND EXPERIENCE IN BRAZIL

## PRESS RELEASE

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JAG – TSX

### **JAGUAR MINING ADVANCES BRAZIL GOLD PROJECTS TOWARD 200,000 OUNCE GOAL**

**Jaguar Mining Inc. (“Jaguar”) (JAG-TSX)** is making significant progress toward its goal of ending 2007 with 200,000 oz per year of production capacity in the Iron Quadrangle greenstone belt in Minas Gerais, Brazil.

Specifically, the Company is:

1. Constructing a new 30,000 oz per year gold oxide plant at Sabará;
2. Preparing to construct the 60,000 oz per year Turmalina Mine;
3. Actively exploring to increase reserves at Turmalina;
4. Preparing a feasibility study at the Santa Bárbara – Pilar project, including driving an exploration and development ramp; and
5. Preparing a feasibility study at the Paciência – Santa Isabel project, including driving an exploration and development ramp and drifting over the Chamé exploration target.

#### **Strong Exploration Potential**

Jaguar is confident that its existing sulfide properties have significant exploration potential, recognizing that the Iron Quadrangle hosts several current and past gold producers with multi-million ounce production histories. Each began with modest surface and near-surface discoveries and improved with depth. The sub-surface geology of the Iron Quadrangle is typified by gold sulfide structures with relatively small horizontal cross-sectional areas that show strong vertical continuity.

Knowing the local geology, Jaguar’s experienced operating team believes that successful mine finding in the Iron Quadrangle requires a combination of surface drilling and underground exploration development. Jaguar is actively pursuing underground exploration development in the Paciência and Santa Bárbara Regions, which are open at depth.

Based on actual experience, Jaguar believes that its cost of converting measured and indicated resources to reserves will range from US\$5 to US\$8 per oz, depending on the property.

#### **Production Expansion Planned**

Jaguar plans to produce 75,000 oz of gold in 2006 and 135,000 oz in 2007. It is reviewing its spending and cash cost estimates as part of its budget cycle, which will be completed in October. Capital spending in 2005 will be approximately US\$14 million versus the prior estimate of US\$26 million as certain expenses can appropriately be deferred until 2006 and 2007. Overall capital required to reach the 200,000 oz capacity target remains in the range of US\$62 to US\$70 million, with spending in 2006 approximately US\$25 million.

In support of these activities Jaguar is pursuing project financing and is in active discussions with several potential lenders. Jaguar expects to select the lender shortly and complete a transaction so that funds would be available before the end of 2005.

### **Sabar Region: The Sabar and Caet Gold Oxide Plants**

Jaguar is building a new 30,000 oz per year gold oxide recovery plant at Sabar, which will produce gold in Q1, 2006 and has also recently finished the internal feasibility study for mining gold oxides at Sabar Zones A and C. These will replace and substantially exceed the nearly depleted Zone B. The feasibility study will be independently reviewed and a National Instrument 43-101 report filed in Q4, 2005.

Zones A and C are adjacent to the new Sabar Plant and will save more than US\$50 per oz in cash costs versus the existing 37 km haul from Zone B to the Caet Plant. When the new Sabar Plant is finished, the existing Caet Plant will process heavily oxidized and higher-grade local feeds from the Sabar and Santa Brbara Regions, promising better recoveries and lower cash costs.

The combined production capacity of the two oxide plants at Sabar and Caet plants will be 60,000 oz per year.

### **Turmalina Region: The Turmalina Project**

Jaguar recently finished the feasibility study and filed the NI 43-101 report for the Turmalina Project. Jaguar expects to receive the construction permit in November, 2005 and production is planned for Q4, 2006. Jaguar has a significant advantage in developing Turmalina as it owns all the land around the mine site, simplifying the permitting process. The company has much of the plant and equipment required to begin production in warehouse with the balance on order.

The recently filed NI 43-101 report for Turmalina assumes a US\$375 per oz gold price. It states that the mine will produce 60,000 oz of gold per year at a cash cost of US\$176 per oz and requires capital of US\$19.4 million. The mineral reserve is 370,000 oz of gold contained in 1.9 million tonnes of ore grading 6.0 g/t.

Mr. Graham G. Clow, P.Eng. and Mr. Wayne W. Valliant, P.Geo. of Roscoe Postle Associates Inc., both of whom are certified under NI 43-101 as a Qualified Person, wrote the NI 43-101 report.

Important to this Turmalina project, Jaguar has completed its Phase 2 in-fill drilling program, aimed at upgrading inferred resources to mineral reserves. The inferred resource is 832,000 tonnes grading 7.55 g/t or some 200,000 oz of gold. Jaguar is presently interpreting the data with the results and estimate of the impact on the mine life expected shortly.

Jaguar has started a Phase 3 drill program aimed at further extending Turmalina's mine life to more than ten years. The program aims to add resources in the upper region of the nearby Satinoco target and to do in-fill drilling aimed at upgrading existing inferred resources beneath the Main and North-east Zones, to a depth of 500 meters. The 23,000 meter diamond drill program uses six drill rigs and finishes in Q1, 2006.

### **Santa Brbara Region: Pilar Project**

The key development at Pilar is the completion of the surface portal and the beginning of the underground ramp. The ramp will reach and begin development of the existing underground sulfide resources in Q1, 2006.

Jaguar's own exploration drilling plus that of prior owners has intersected potentially economic gold grades and widths. Jaguar has previously reported that the property has 2.5 million tonnes of measured and indicated resources containing 483,000 oz of gold at a grade of 5.95 g/t. Additional inferred resources are 1.4 million tonnes containing 264,000 oz of gold at a grade of 5.79 g/t.

Production is scheduled for the second half of 2007 with production of 48,000 oz of sulfide gold in 2008, based on a scoping study estimate. Jaguar plans another 6,000 meters of diamond drilling between 300 meters and 500 meters below surface to add resources at depth. The full Pilar feasibility study is now expected in the second quarter of 2006.

### **Paciência Region: Santa Isabel Project**

Jaguar is developing underground drilling stations to prepare for a 4,000 meter diamond drill exploration program between January and June of 2006.

The program aims to add resources 200 to 300 meters below the current level, with the goal of reaching a reserve of 500,000 oz to justify developing the mine. In addition, Jaguar plans to develop about 1.5km laterally to the Chamé exploration target with the goal of adding further resources by the end of 2006 and to test its belief that the property has multi-million ounce potential.

Jaguar has previously reported that the property has 5.9 million tonnes of measured and indicated resources containing 827,000 oz of gold at a grade of 4.38 g/t. Additional inferred resources are 1.6 million tonnes containing 260,000 oz of gold at a grade of 5.03 g/t.

The feasibility study for Paciência – Santa Isabel is now expected in Q3, 2006 and initial production in Q4, 2007, assuming a positive study. On a scoping study basis, the mine will have its own sulfide processing plant and produce about 60,000 oz per year from 2008 onwards.

### **Qualified Person**

Ivan C. Machado, M.Sc., P.E., P.Eng., Principal of Salt Lake City based TechnoMine Services LLC serves as Jaguar's Qualified Person in accordance with NI 43-101. He has previously reviewed all references to resources contained in this press release.

Jaguar produces gold in the Iron Quadrangle region of Brazil. Using its experience and strong local relationships, Jaguar has acquired quality gold resources from senior mining companies and is preparing feasibility studies with a goal of converting significant portions of the acquired resources to reserves. It owns 62,500 acres of gold properties, which is the second largest gold property portfolio in the region, and continues to seek acquisitions to strengthen its position. Jaguar has 31,553,389 common shares outstanding (45,498,910 fully diluted).

For further information, please contact Daniel Titcomb, President on (603) 224-4800 or Robert Jackson, EVP, Corporate Development on (416) 725-4343.

This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Such statements are only predictions, and the Company's actual financial conditions and results of operations could differ materially from those that may be contemplated by these forward looking statements and the assumptions upon which they are based as a result of those risks and uncertainties. For a discussion of important factors affecting the Company, see the "DESCRIPTION OF THE COMPANY'S BUSINESS" and in particular the subsection entitled "Risk Factors" in the Company's Annual Information Statement for the year ended December 31, 2004 filed on SEDAR and available at <http://www.sedar.com>. Jaguar's securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or resold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.