



UNLEASHING THE GOLD POTENTIAL OF BRAZIL

PRESS RELEASE

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JAG – TSX

JAGUAR MINING BEGINS CONSTRUCTION OF 60,000 OZ PER YEAR TURMALINA MINE, TARGETS PRODUCTION CAPACITY OF 130,000 OZ BY 2006 YEAR END

Jaguar Mining Inc. (“Jaguar”) (JAG-TSX), a gold producer, reports a key event in its development plan to become a mid-sized producer in Brazil.

Jaguar recently received the installation license (LI) and began construction of the 60,000 oz/year Turmalina gold mine, a robust gold project with low cash costs and good potential to increase reserves. Gold production is expected in Q4 2006. The majority of the infrastructure, such as roads, power, ramp and access to the underground orebody, is in place.

This important step for Jaguar follows the recent closing of a non-dilutive US\$14 million debt financing for mine development at Turmalina and in the Sabará Region, where Jaguar expects to increase gold production significantly in 2006. By the end of the year, Jaguar’s production capacity is expected to be 130,000 oz/year.

Jaguar finished the feasibility study and filed a National Instrument 43-101 report on SEDAR in September 2005. The report was written by 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. The key points of the initial Turmalina feasibility study are:

Mineral Reserves:	1.9 MM tonnes @ 6.0 g/t Au, containing approximately 370,000 oz
Mining Rate:	360,000 tonnes per year
Process Recovery:	90%
Annual Average Production:	60,000 oz per year
Mine Life:	5.5 years
Capital Cost:	US\$19.4 million
Average Operating Cost:	US\$26.40 per tonne milled
Total Cash Cost:	US\$176 per oz
Total Production Cost:	US\$235 per oz, including CAPEX
IRR:	31.8%

The study assumed an exchange rate of R\$2.75/US\$ and a gold sale price of US\$375 per ounce.

In addition, Jaguar has completed an in-fill drilling program (Phase 2) at Turmalina aimed at upgrading an inferred resource into mineral reserves. The inferred resource is 832,000 tonnes at a grade of 7.55 g/t. Jaguar is interpreting the data. The results and anticipated increase to the mine life are expected shortly. Currently there are seven drill rigs operating on site for upgrading and adding new resources (Phase 3).

Active Growth and Development Program

In addition, Jaguar is developing its gold projects in the Sabará Region and is working on feasibility studies at the Santa Bárbara Region (Pilar Project) and the Paciência Region (Santa Isabel Project). Overall, Jaguar has significant exploration potential at Turmalina, Santa Bárbara and Paciência with all three open at depth and laterally in a region with a multi-million ounce production history.

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 33,346,337 common shares outstanding (47,031,022 fully diluted).

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

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