



PRESS RELEASE

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JAG – TSX

JAGUAR MINING DISCUSSES FIRST QUARTER EXPLORATION AND OPERATIONAL RESULTS

Jaguar Mining Inc. (“Jaguar”) (JAG-TSX) completed its first full quarter of implementation of its US\$8.8 million exploration program on three of its projects located in the Quadrilátero Ferrífero, Brazil’s largest gold district. The two-year program is planned to upgrade measured and indicated resources to reserves. Jaguar currently has 1.8 million ounces of measured and indicated mineral resources.

Sabará Zone A

Out of the 58 diamond drill holes planned, 55 have been completed totaling 2,042 meters, along with 850 meters of trenching. The program has confirmed the limits and configuration of the ore body and is consistent with expectations from previous exploration work. Detailed results are expected to be released by the end of May.

Management expects to complete a new resource calculation and feasibility study combining Zone A and Lamego into a single mine plan in the third quarter. Jaguar has initiated the permitting process to install a 1,500 tonne per day plant at Zone A by the end of 2004. The plant is planned to have the capacity to process Zone B, Zone A and Lamego ore, significantly reducing the transport cost for the project.

Paciência

Jaguar completed the dewatering of 1.25 km of the underground ramp and adjoining drifts. The underground drilling program started on schedule in the first quarter with a total of 58 holes and 10,900 meters planned. Four holes totaling 410 meters were completed during this period. The initial drill results confirm the mineralization is approximately 50 meters closer to the ramp than anticipated. The width of the ore body is consistent with previous exploration results. The Company will continue to operate two drill rigs throughout the second quarter to define the limits of the ore body. The conditions of the ramp, drifts and infrastructure are very good. The Paciência project is on schedule and budget consistent with the initial exploration plan.

Catita

Significant surface work also began at the Catita project during this period with four diamond drill rigs and a trenching crew. Fifty-five diamond drill holes totaling approximately 3,470 meters are planned. Eleven holes totaling 450 meters were completed by the end of the period. Both the trenching and drill programs have intersected mineralized zones confirming previous exploration results and identifying new zones for additional exploration. Catita is expected to add near term sulfide ore production for processing at Anglo Gold’s Queiroz plant where Jaguar has contracted for approximately 1,000 tonnes per day of

processing capacity. The Catita project is on schedule and budget consistent with the initial exploration plan.

The first phase of assay results on both Paciência and Catita are scheduled for release by the end of June 2004.

Results of Operations

For the first quarter of 2004, Jaguar incurred a loss of \$938,903 or \$0.05 per common share. The Company has filed its unaudited consolidated interim financial statements and management's discussion and analysis for the three months ended March 31, 2003 on SEDAR. The documents will also be available at its corporate website www.jaguarmining.com.

Q1 2004 was Jaguar's start up and first operational quarter of the Sabará B mine site. Abnormally heavy rains across Brazil and much of South America created unusually difficult operating conditions and resulted in 33,000 tonnes of ore being trucked to the Caeté plant rather than the 55,000 tonnes budgeted. Gold production was 1,189 oz at a direct operating cost of \$388/oz. The budget for this period was 3,200 oz at a direct operating cost of \$207/oz. The costs are higher than budgeted mainly because the fixed costs are spread over a small quantity of ounces produced. These full costs only include expenses incurred by the Brazilian subsidiary. The recovery grade in March was trending higher to 1.66 grams per tonne vs. the budget of 1.7 grams per tonne. Management expects that the grade will continue to increase, achieving the average recovered grade of 2.67 grams per tonne as detailed in the feasibility study, as mining continues through the heavily oxidized zones into higher grade ore.

Weather conditions have recently improved significantly and operations have improved. An expected increase in production from 1,000 tonnes per day to 1,200 tonnes per day is pending. Additional production from Santa Bárbara and Catita zones have the potential to lift overall production to 27,000 oz in 2004 with approximate operating cash costs of \$156/oz.

The crushing and stacking circuits operated per plan as did the CIC plant. The overall processing operation achieved a recovery rate consistent with the feasibility study.

Cash flows

Operating activities consumed \$957,539 of cash in the first quarter. The Company had revenue of \$322,988 from gold sales at an average realized price of \$404 per ounce in the first quarter as it ramped up production, however it still had to fund the general and administration infrastructure. In addition, during the period the Company funded approximately \$175,000 in prepaid financing fees. In the prior period, the Company consumed only \$61,128 in cash since the Company was still in the start up stage. Cash of \$108,796 was generated through the exercise of stock options and warrants.

Investing activities consumed \$532,988 of cash in the current period. The Company spent \$282,708 on the Sabará property and \$202,001 on the AngloGold properties. In addition, the Company spent \$48,709 on improving the Caeté plant and purchasing equipment. In the prior period the Company spent \$79,550 on the Sabará property.

Liquidity and Capital Resources

The Company had cash and cash equivalents of \$5,236,835 at March 31, 2004. The cash decreased during the three months ended March 31, 2004 as result of the consumption of cash from operating activities and investing activities as discussed above.

Subsequent to the end of the period, on May 12, 2004, the Company announced revised terms to the private placement originally announced April 20. The revised terms provide for an issue of Cdn.\$6.85 million by

way of private placement. The private placement will consist of 1,522,222 Special Warrants at Cdn.\$4.50 per Special Warrant. Each Special Warrant will consist of one common share and one full share purchase warrant. Each purchase warrant is exercisable for one common share at Cdn.\$6.00 per share for two years from the date of closing of the private placement. The company has also given the Agents an over-allotment option to purchase a further 245,000 Special Warrants at the issue price until closing.

Subscribers have agreed to purchase the base deal of Cdn.\$6.85 million and further subscriptions have been agreed upon for part of the over-allotment option at this time. The financing is expected to close on May 20, 2004 and is subject to regulatory approval.

The net proceeds from the financing will be used by the Company to acquire new mineral resources and accelerate production and exploration plans on its gold properties in Brazil.

Jaguar currently has 19,026,787 common shares outstanding (23,663,881 fully diluted).

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

The proceeding interim report should be read in conjunction with the unaudited financial statements of Jaguar Mining Inc. ("Jaguar" or the "Company") for the three months ended March 31, 2004, with comparative figures for the three months ended March 31, 2003. All amounts are expressed in US\$ unless otherwise indicated. The reader should also refer to the annual audited financial statements for the year ended December 31, 2003 and the ten months ended December 31, 2002 and the Management's Discussion and Analysis for those periods.

The statements that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

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. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.