



PRESS RELEASE

January 19, 2006
Concord, New Hampshire

2006-02
JAG – TSX

JAGUAR MINING OPTIONS SIGNIFICANT GOLD PROPERTIES WITH 590,000 OZ OF GOLD RESOURCES AND STUDIES NEW SULFIDE PLANT

Jaguar Mining Inc. (“Jaguar”) (JAG-TSX), a gold producer, has optioned seven strategically valuable properties from Companhia Vale do Rio Doce (“CVRD”) on a key geological trend in the Sabará Region of the Iron Quadrangle gold belt. The properties host a significant gold resource close to Jaguar’s existing Caeté Plant and represent 9,500 acres of high potential gold exploration terrain over 25 km. The transaction boosts Jaguar’s development plan to become a mid-sized producer in Brazil.

CVRD information indicates:

- A sulfide resource of 2.29 million tonnes at a grade of 7.48 g/t, containing 550,000 ounces of gold;
- An oxide resource of 626,000 tonnes at a grade of 2.23 g/t, containing 44,300 ounces of gold; and
- 92% recovery in the sulfides and 85% recovery in the oxides, based upon preliminary metallurgical work.

The properties are between and lie in the same Archean banded iron formations as the Cuiabá Mine of AngloGold, which produces of 190,000 oz of gold per year to a depth of 1,700 m, and Eldorado Gold Corporation’s São Bento Mine, with current production of 100,000 oz/year and depth of 1,300 m. Jaguar will be conducting further exploration of the properties with the intent of upgrading the known gold resources and the discovery of others to support one or more mines.

The new resources pre-date the introduction of National Instrument (“NI”) 43-101 standards but were discovered and calculated by CVRD, which is one of the world’s largest mining companies. CVRD’s technical information was reviewed for Jaguar 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 Qualified Person in accordance with NI 43-101. Mr. Machado advised Jaguar that the CVRD data is sufficient to proceed to a feasibility study. Jaguar intends to complete a feasibility study on the new resources and file an NI 43-101 report.

Jaguar’s initial scoping study supports a new 1,200 tpd sulfide circuit to process the resources at the well-serviced and fully-permitted Caeté Plant site. This production expansion would have the additional advantage of being permitted quickly and enable processing of gold sulfide ore from other nearby Jaguar properties.

The purchase option from CVRD expires at the end of the first quarter of 2008. The purchase price is 3.5% of the market value of CVRD’s currently estimated resources plus 2.5% of any additional resources

determined by Jaguar, after deducting expenses associated with the transfer. By March 2006 Jaguar intends to complete an audit of the CVRD resource estimates. CVRD retains certain iron ore exploration rights on the properties and retains a 70% back-in right if Jaguar has more than five million ounces of gold reserves on the properties by November 2010. The contract grants corresponding rights for CVRD to explore a Jaguar property for iron and to acquire iron mineral rights in the property until November 2008. Jaguar and CVRD are required to approve each other's exploration plan.

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 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 33,367,657 common shares outstanding (47,052,342 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.