



NEWS RELEASE

October 31, 2017
FOR IMMEDIATE RELEASE

TSX: JAG

JAGUAR MINING COMPLETES SALE OF GURUPI PROJECT; RECEIVES INITIAL US\$4 MILLION CASH PAYMENT TO-DATE

Toronto, Canada, October 31, 2017 - Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX:JAG) today reported that it has completed the sale of its Gurupi Project ("Gurupi") to Avanco Resources Limited ("Avanco") by transferring the quotas (i.e. equity shares) in MCT Mineração Ltda. that are currently held directly or indirectly by the Company, to Avanco, pursuant to the previously-announced accelerated earn-in agreement (the "Agreement").

Under the terms of the Agreement, and following the satisfactory completion of certain closing conditions, Avanco earned 100% of Jaguar's equity interest in Gurupi by committing to pay to Jaguar US\$9 million in aggregate cash payments. To date, Jaguar has received an initial aggregate cash payment of US\$4 million, in two installments of US\$2 million each in September and October 2017. The additional US\$5 million is expected to be paid to Jaguar in a series of 10 instalments of US\$500,000 per month during fiscal years 2018 and 2019.

In addition, within 24 months of the initial US\$4 million payment, Avanco will arrange to have published an Australian Joint Ore Reserve Committee (JORC) code compliant technical report completed regarding Gurupi with mineral reserves in excess of 500,000 ounces of gold. Any delay in this milestone will result in a project delay fee payable to Jaguar of US\$250,000 per six months of delayed period. Within 60 months of the initial US\$4 million payment, Avanco will aim to commission the Gurupi mine and plant. Any delay in this commissioning milestone will result in a separate project delay fee payable to Jaguar of US\$250,000 per six months of delayed period.

As part of the Agreement, Jaguar will retain a life of mine Net Smelter Return ("NSR") royalty ("Royalty") from production at Gurupi. The Royalty will be 1% NSR on the first 500,000 ounces of gold or gold ounce equivalents sold; 2% NSR on sales from 500,001 to 1,500,000 ounces of gold or gold ounce equivalents; and 1% NSR on gold sales exceeding 1,500,000 ounces of gold or gold ounce equivalents.

About Jaguar Mining Inc.

Jaguar Mining Inc. is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with three gold mining complexes, and a large land package with significant upside exploration potential from mineral claims covering an area of approximately 64,000 hectares. The Company's principal operating assets are located in the Iron Quadrangle, a prolific greenstone belt in the state of Minas Gerais and include the Turmalina Gold Mine Complex and Caeté Gold Mine Complex (Pilar and Roça Grande mines, and Caeté Plant) which combined, are expected to produce approximately 87,000 - 92,000 ounces of gold in 2017. The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. Additional information is available on the Company's website at www.jaguarmining.com.

About Avanco Resources Ltd.

Avanco is a Brazilian focused mining exploration and development company, targeting exploration and near-term production from copper and gold projects. Avanco's Board of Directors and Management team have extensive global resource industry experience, particularly in Northern Brazil where they have recently commissioned the Antas copper-gold mine on-schedule and under budget. Avanco has offices in Perth, Australia; Rio de Janeiro, Brazil; and Parauapebas, Brazil.

For further information please contact:

Rodney Lamond
President & Chief Executive Officer
rodney.lamond@jaguarmining.com
416-847-1854

Hashim Ahmed
Chief Financial Officer
hashim.ahmed@jaguarmining.com
416-847-1854

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking statements and information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking information made in this news release are qualified by the cautionary statements below and those made in our other filings with the securities regulators in Canada. Forward-looking information contained in forward-looking statements can be identified by the use of words such as "are expected", "is forecast", "is targeted", "approximately", "plans", "anticipates", "projects", "anticipates", "continue", "estimate", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, may be considered to be or include forward looking information. This news release contains forward-looking information regarding, among other things, the expectations regarding whether certain future post-closing conditions or milestones will be completed in accordance with the terms of the Agreement, expected sales, production statistics, ore grades, tonnes milled, recovery rates, cash operating costs, definition/delineation drilling, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations, continuous improvement initiatives, and resolution of pending litigation. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the completion of future post-closing conditions or milestones, as contemplated by the Agreement; the estimated timeline for the development of the Company's mineral properties; the supply and demand for, and the level and volatility of the price of, gold; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; the receipt of necessary permits; market competition; ongoing relations with employees and impacted communities; political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any potential power rationing, tailings facility regulation, exploration and mine operating licenses and permits being obtained or renewed and/or there being adverse amendments to mining or other laws in Brazil and any changes to general business and economic conditions. Forward-looking information involve a number of known and unknown risks and uncertainties, including among others: the risk of Jaguar not meeting the forecast plans regarding its operations and financial performance; uncertainties with respect to the price of gold, labor disruptions, mechanical failures, increase in costs, environmental compliance and change in environmental legislation and regulation, weather delays and increased costs or production delays due to natural disasters, power disruptions, procurement and delivery of parts and supplies to the operations; uncertainties inherent to capital markets in general (including the sometimes volatile valuation of securities and an uncertain ability to raise new capital) and other risks inherent to the gold exploration, development and production industry, which, if incorrect, may cause actual results to differ materially from those anticipated by the Company and described herein. In addition, there are risks and hazards associated with the business of gold exploration, development, mining and production, including environmental hazards, tailings dam failures, industrial accidents and workplace safety problems, unusual or unexpected geological formations, pressures, cave-ins, flooding, chemical spills, and gold bullion thefts and losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Accordingly, readers should not place undue reliance on forward-looking information.

For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this news release, see the Company's most recent Annual Information Form and Management's Discussion and Analysis, as well as other public disclosure documents that can be accessed under the issuer profile of "Jaguar Mining Inc." on SEDAR at www.sedar.com. The forward-looking information set forth herein reflects the Company's reasonable expectations as at the date of this news release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.