



NEWS RELEASE

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FOR IMMEDIATE RELEASE

TSX: JAG

Jaguar Mining Announces Closing of the First Tranche of USD\$25 Million Non-Brokered Equity Private Placement Offering

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TORONTO, July 8, 2019 - Jaguar Mining Inc. ("**Jaguar**" or the "**Company**") (TSX: JAG) is pleased to announce that on July 5, 2019 the Company closed the first tranche of its previously announced non-brokered private placement (the "**Offering**"). Pursuant to the first tranche of the Offering, the Company issued 361,095,445 common shares (the "**Common Shares**") at a price per share of CAD\$0.085 (or USD\$0.0634 at a deemed exchange rate of USD\$1.00 = C\$1.34), for aggregate gross proceeds of approximately USD\$22.9 million.

The Company anticipates that it will use the net proceeds of the first tranche for: (i) capital improvements and infrastructure intended to improve production output and cost efficiencies at its operating gold mines in Brazil; (ii) advancing the Corporation's mineral exploration activities in order to increase reserves and expected mine lives; (iii) the repayment of a USD\$7.85 bridge loan due July 15, 2019; and (iv) for general corporate and working capital improvement purposes.

Given that Jaguar insiders Eric Steven Sprott and Tocqueville Asset Management LP participated in the first tranche of the Offering, it constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**").

Prior to the closing of the first tranche of the Offering (the "**Closing**"), Mr. Sprott held 59,755,141 Common Shares directly and held an additional 11,545,455 Common Shares through 2176423 Ontario Ltd. (a corporation which is beneficially owned by him) for total holdings of 71,300,596 Common Shares, representing approximately 21.7% of the Company's outstanding Common Shares on a non-diluted basis.

Tocqueville Asset Management LP is a New York-based, SEC registered, investment adviser firm and investment fund manager that manages a number of investment funds, including the Tocqueville Gold Fund, which is a mutual fund. Tocqueville Asset Management LP does not itself own any securities of Jaguar, but has authority to exercise control and direction over the assets of the Tocqueville Gold Fund, which held 64,330,707 Common Shares on a pre-Closing basis.

Prior to the Closing, Jaguar had 328,505,674 issued and outstanding Common Shares. Pursuant to the closing of the first tranche of the Offering, Jaguar issued 361,095,445 additional Common Shares, representing 109.92% of its previously issued and outstanding Common Shares. Pursuant to the first tranche of the Offering, Mr. Sprott purchased 236,470,588 Common Shares (representing USD\$15 million and 60% of the entire Offering) and as of the date hereof, after giving effect to the closing of the

first tranche of the Offering, beneficially owns and controls 307,771,184 Common Shares. Tocqueville Gold Fund purchased 67,620,000 Common Shares for total holdings of 131,950,707 Common Shares.

The Company anticipates that it will close the second tranche of the Offering for gross proceeds of approximately USD\$2.1 million for a combined total of 394,117,647 Common Shares and aggregate gross proceeds of USD\$25 million from both tranches. The closing of the Offering was bifurcated into two tranches since a few smaller investors experienced administrative issues which did not enable them to deliver funds in time to meet the July 5, 2019 closing date. The Company expects the balance of funds to be delivered to the Company early during the week of July 8, 2019 to facilitate the closing of the second tranche. Accordingly, pursuant to the closing of the second tranche of the Offering, Jaguar expects to issue 33,022,202 additional Common Shares, representing 10.05% of its issued and outstanding Common Shares immediately prior to the Offering. After giving effect to the closing of the first tranche of the Offering, Mr. Spratt beneficially owns and controls 307,771,184 Common Shares, which represents 44.6% of the Company's outstanding Common Shares on a non-diluted basis. As a result of the need to close the Offering in two tranches, a portion of Tocqueville Gold Fund's investment was allocated to the second tranche in order to maintain the pro-rata ownership of Tocqueville Gold Fund. Tocqueville Gold Fund will purchase an additional 9,559,388 Common Shares in the second tranche for total holdings of 141,510,095 Common Shares, which will represent 19.6% of the Company's outstanding Common Shares following the completion of the second tranche.

Mr. Spratt acquired the Common Shares for investment purposes. Mr. Spratt has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of 2176423 Ontario Ltd.'s early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling (416) 362-7172 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

The Offering is exempt from the formal valuation requirement and minority shareholder approval requirement of MI 61-101 since the Company relied upon the financial hardship exemptions that are found in subsections 5.5(g) and 5.7(e) of MI 61-101. As described in OSC Staff Notice 51-706, the financial hardship exemption of the Toronto Stock Exchange (the "TSX") and the considerations made by the Company and the TSX pursuant to the Company's application to utilize that exemption are similar to, and based on, the financial hardship exemption in MI 61-101. On May 27, 2019, the Company submitted a lengthy and detailed application to the TSX (pursuant to the provisions of Section 604(e) of the TSX Company Manual) whereby the Company sought to utilize the "financial hardship" exemption from the TSX's requirement to obtain shareholder approval for the Offering (as otherwise required by section 604(a) and 607(g) of the TSX Company Manual). The application was made upon the recommendations of both the Finance & Corporate Development Committee and the Audit & Risk Committee of the Company's Board of Directors, whose members are free from any interest in the transactions and are unrelated to the parties involved in the transactions, and was based on their determination that the Offering is reasonable for the Company in the circumstances. No member of the Company's Board of Directors had a materially contrary view or any material disagreement regarding the decision to proceed with the Offering. If the Offering was the subject of a shareholder vote, then the Company's Board of Directors would have unanimously recommended that the shareholders vote to approve the Offering. Following the TSX's review of the Company's application and the considerations described in TSX Staff Notice 2009-0003, the TSX provided its approval for the Company to announce the Offering (which occurred on June 18, 2019) and, pursuant to a letter dated June 25, 2019, provided the Company with the TSX's conditional approval for the Offering.

The TSX has informed the Company that the Company will be the subject of a remedial delisting review. It is routine for the TSX to require any issuer utilizing the financial hardship exemption to be the subject of a remedial delisting review. Pursuant to this delisting review, the TSX has required that, prior to October

16, 2019, the Company demonstrate to the TSX that the Company complies with all of the TSX requirements for continued listing after the completion of the Offering. With the Closing now complete, the Company is confident that it is in a position to satisfy these requirements and will make the appropriate submissions to the TSX later this month.

In connection with the Closing of the first tranche, certain arm's-length finders received an aggregate cash finder's commission of approximately USD\$68,000. It is expected that certain arm's-length finders will receive an aggregate cash finder's commission of approximately USD\$12,800 related to the closing of the second tranche of the Offering.

Pursuant to applicable Canadian securities laws, all securities issued pursuant to the first tranche of the Offering are subject to a hold period of four months and one day, expiring on November 6, 2019. The Offering remains subject to the TSX's final approval.

This news 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. The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, and applicable state securities laws.

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 Mining Complex (Pilar and Roça Grande Mines, and Caeté Plant). The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012 and the Roça Grande Mine which has been on care and maintenance since April 2018. Additional information is available on the Company's website at www.jaguarmining.com.

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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 is qualified by the cautionary statements below and those made in the Company's 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

Company's proposed use of the net proceeds of the Offering, the completion and timing of any additional tranches of the Offering, the outcome of the TSX's remedial delisting review, fundraising, capital markets, 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, capital improvements, operating efficiencies, 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 estimated timeline for: the raising of sufficient additional capital; the continued development of its 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 and 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 involves 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, labour 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, procurement fraud 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.