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FOR IMMEDIATE RELEASE

NEWS RELEASE
TSX: JAG

Jaguar Mining Announces Strategic Option Agreement With IAMGOLD

Option package includes 28 exploration tenements
located in the prolific Iron Quadrangle, Brazil

All amounts are in US dollars unless stated otherwise

Toronto, August 26, 2020 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) is pleased to announce that it has signed an option agreement (the "**Iron Quadrangle Agreement**") with IAMGOLD Corporation ("**IAMGOLD**") on a package of 28 exploration tenements (the "**Package**") covering an area of some 27,141.75 Ha in the prolific Iron Quadrangle, located in Minas Gerais, Brazil (see figure 1). The Iron Quadrangle Agreement stipulates that Jaguar has the option to earn an initial 60% interest in the Package by spending \$6.0 million in exploration expenditures over four years commencing in the third quarter of 2020. Jaguar will be the project operator and will be subject to oversight by a technical committee with representatives from both companies.

Under the terms of the Agreement, the following will apply:

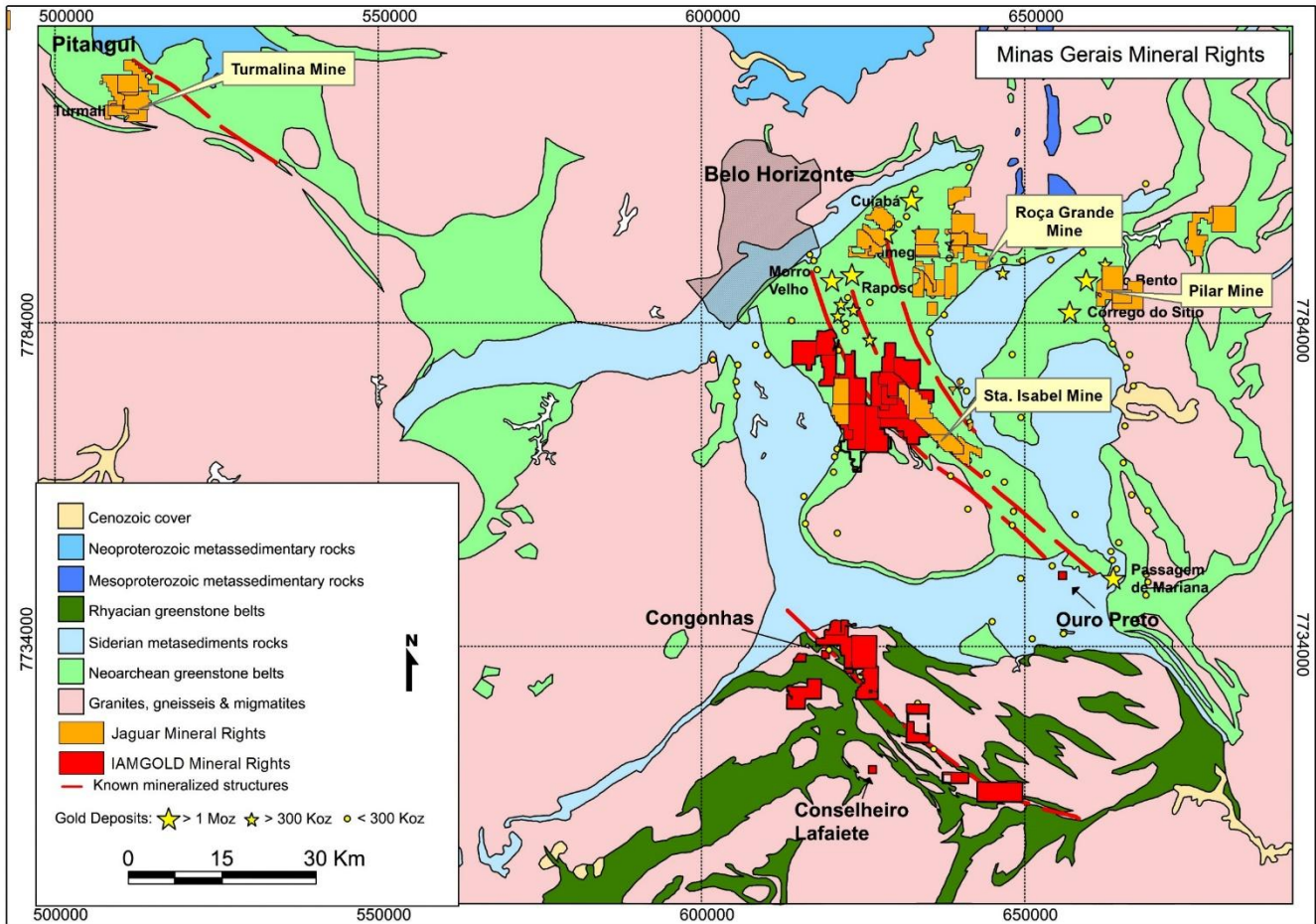
- The Earn-in period will include a minimum expenditure of \$500,000 per annum, and the exploration program must include the completion of a minimum of 5,000 meters of diamond drilling over the option agreement time frame.
- Upon Jaguar vesting an initial 60% interest, IMG may elect to participate and fund its pro-rata share of ongoing expenditures under a conventional 60:40 JV that will be formed for this purpose and will be agreed-upon by both companies.
- Once the 60:40 JV is in place, both parties will be required to fund their pro-rata share for ongoing expenditures or be subject to dilution. Should either party dilute to <10% interest, their interest will revert to a 1.5% NSR.

Vern Baker, CEO of Jaguar Mining stated, *"The Iron Quadrangle Agreement with IAMGOLD will serve to enhance and expand Jaguar's strategic focus, where we already have an impressive footprint with the Turmalina and Pilar operating gold mines and the Paciência mill which has been in care and maintenance since 2012 . Over the past two years, our exploration team has diligently assembled a portfolio of quality targets in one of the most prolific greenstone geological regions in the world. The opportunity to increase exploration targets with the Iron Quadrangle agreement, our sustainable production and excess plant capacity, underpinned by an expanding mineral resource and mineral reserve inventory can easily support growth exploration initiatives.*

Jon Hill, VP Geology and Exploration of Jaguar Mining stated, *"At Jaguar, we are very pleased with the opportunity to work with our longtime neighbors, IAMGOLD. The Iron Quadrangle Agreement, which doubles Jaguar's current tenement footprint, will allow the geological team to systematically explore, define and drill-test this highly prospective Iron Quadrangle land package. A multitude of historical mines and mineralized occurrences along the prolific Sao Vicente, Paciência and Congonhas crustal scale shear zones, along with existing data from ongoing generative work, indicates Tier 1 discovery potential targets. A discovery, regardless*

of size, may potentially be processed at Jaguar's underutilized and permitted Paciência mill."

Figure 1. Location Map showing the location of both Jaguar's Tenements (Orange) and Iamgold's Tenements (Red) within the Iron Quadrilateral, Minas Gerais, Brazil. Iamgold holds 28 Tenements over an area of 27141.75 Ha which are subject to the new agreement with Jaguar. Jaguar's Tenements cover an area of approximately 35000 Ha.



Qualified Persons

Scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), FAUSIMM, Senior Expert Advisor Geology and Exploration to the Jaguar Mining Management Committee, who is also an employee of Jaguar Mining Inc., and is a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

The Iron Quadrangle

The Iron Quadrangle has been an area of mineral exploration dating back to the 17th century. The discovery in 1699–1701 of gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town Ouro Preto (Black Gold). The Iron Quadrangle contains world-class multi-million-ounce gold deposits such as Morro Velho, Cuiabá, and São Bento. Jaguar holds the second largest gold land position of the producers in the Iron Quadrangle with just over 35,000 hectares.

About Jaguar Mining Inc.

Jaguar Mining Inc. is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with two 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 Mine and Caeté Plant). The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. The Roça Grande Mine 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 and Cautionary Notes

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 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, 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 estimated timeline for the 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). In addition, the Company's principal operations and mineral properties are located in Brazil and there are additional business and financial risks inherent in doing business in Brazil as compared to the United States or Canada. In Brazil, corruption represents a challenge requiring extra attention by those who conduct business there. Corruption does not only occur with the misuse of public, government or regulatory powers, it also can occur in a business's supplies, inputs and procurement functions

(such as illicit rebates, kickbacks and dubious vendor relationships) as well as the inventory and product sales functions (such as inventory shrinkage or skimming). Employees as well as external parties (such as suppliers, distributors and contractors) have opportunities to commit theft, procurement fraud and other wrongs against the Company. While corruption, bribery and fraud and theft risks can never be fully eliminated, the Company reviews and implements controls to reduce the likelihood of these events occurring. The Company's present and future business operations face these risks. Accordingly, for all of the reasons above, 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.