



MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE QUARTER ENDED
MARCH 31, 2022**

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MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDED MARCH 31, 2022

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022, and the annual audited consolidated financial statements and MD&A for the year ended December 31, 2021, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). For further information on Jaguar Mining Inc., reference should be made to its public filings (including its most recently filed annual information form (“AIF”) which is available on SEDAR at www.sedar.com). Information on risks associated with investing in the Company’s securities and technical and scientific information under National Instrument 43-101 concerning the Company’s material properties, including information about mineral resources and reserves, are contained in the Company’s most recently filed AIF and technical reports.

All amounts included in this MD&A are in United States dollars (“\$”), unless otherwise specified. References to C\$ are to Canadian dollars and R\$ are to Brazilian Reals. This report is dated as at May 11, 2022.

The Company included certain non-GAAP financial measures, which the Company believes that, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-GAAP financial measures in this MD&A include:

- *Cash operating costs (per ounce sold);*
- *Cash operating costs (per tonne of ore processed);*
- *All-in sustaining costs (per ounce sold);*
- *All-in costs (per ounce sold);*
- *Average realized gold price (per ounce sold);*
- *Cash operating margin (per ounce sold);*
- *All-in sustaining margin (per ounce sold);*
- *Adjusted operating cash flow;*
- *Earnings before interest, taxes, depreciation, and amortization (“EBITDA”), Adjusted EBITDA and adjusted EBITDA per share;*
- *Free cash flow (per ounce sold);*
- *Working Capital;*
- *Net cash and cash equivalents;*
- *Sustaining capital expenditures; and*
- *Non-sustaining capital expenditures.*

Definitions and reconciliations associated with the above metrics can be found in the Non-GAAP Performance Measures section of this MD&A.

Where we say “we,” “us,” “our,” the “Company” or “Jaguar,” we mean Jaguar Mining Inc. or Jaguar Mining Inc. and/or one or more or all of its subsidiaries, as it may apply. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period	Abbreviation	Period
YTD 2022	January 1, 2022 – March 31, 2022	YTD 2021	January 1, 2021 – March 31, 2021
Q1 2022	January 1, 2022 – March 31, 2022	Q1 2021	January 1, 2021 – March 31, 2021

OUR BUSINESS

Jaguar Mining Inc. (“Jaguar” or the “Company”) 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. The Company’s principal operating assets are located in the state of Minas Gerais and include the Turmalina Gold Mine Complex (Turmalina Gold Mine and plant) and Caeté Gold Mine Complex (Pilar Gold Mine, Roça Grande Gold Mine and Caeté plant). The Company also owns the Paciência Gold Mine Complex (“Paciência”), which has been on care and maintenance since 2012. Jaguar’s Brazilian assets and operations are held by Jaguar’s wholly owned subsidiary Mineração Serras dos Oeste EIRELI (“MSOL”).

Q1 2022 FINANCIAL & OPERATING SUMMARY

(\$ thousands, except where indicated)	Three months ended March 31,	
	2022	2021
Financial Data		
Revenue	\$ 30,619	\$ 31,686
Operating costs	19,617	14,761
Depreciation	4,696	4,759
Gross profit	6,306	12,166
Net (loss) income	(6,034)	6,109
Per share (“LPS”)	(0.08)	0.08
EBITDA ¹	1,735	13,073
Adjusted EBITDA ^{1,2}	6,786	11,948
Adjusted EBITDA per share ^{1,2}	0.09	0.16
Cash operating costs (per ounce sold) ¹	1,188	835
All-in sustaining costs (per ounce sold) ¹	1,680	1,296
Average realized gold price (per ounce) ¹	1,855	1,793
Cash generated from operating activities	7,707	6,466
Free cash flow ¹	2,650	197
Free cash flow (per ounce sold) ¹	161	11
Sustaining capital expenditures ¹	5,812	6,269
Non-sustaining capital expenditures ¹	4,477	2,808
Total capital expenditures	10,289	9,077

¹ Average realized gold price, sustaining and non-sustaining capital expenditures, cash operating costs and all-in sustaining costs, adjusted operating cash flow, free cash flow, EBITDA and adjusted EBITDA, and adjusted EBITDA per share are non-GAAP financial performance measures with no standard definition under IFRS. Refer to the Non-GAAP Financial Performance Measures section of the MD&A.

² Adjusted EBITDA excludes non-cash items such as impairment, foreign exchange and write downs. For more details refer to the Non-GAAP Performance Measures section of the MD&A.

	Three months ended March 31,	
	2022	2021
Operating Data		
Gold produced (ounces)	16,663	18,160
Gold sold (ounces)	16,507	17,677
Primary development (metres)	1,374	878
Secondary development (metres)	1,247	1,138
Definition, infill, and exploration drilling (metres)	26,305	19,090

Financial and Operational Summary

Revenue, Production and Sales, Diamond Drilling, Operating Costs, Net (loss), Gold Production

- Revenue for Q1 2022 decreased 3% to \$30.6 million, compared with \$31.7 million in Q1 2021, mainly due to reduction in ounces produced, which resulted in lower ounces of gold sold of 16,507 in Q1 2022 as compared to 17,677 ounces in Q1 2021.
- Consolidated gold production decreased by 8% to 16,663 ounces in Q1 2022, compared to 18,160 ounces in Q1 2021, reflecting a decrease of 11% decrease in tonnes of ore processed from 207,000 in Q1 2021 to 184,000 in Q1 2022, partially offset by a 3% increase in the average head grade of 3.19 g/t in Q1 2022, compared to 3.10 g/t in Q1 2021. The decrease in production tonnage was due to the impact of the rainy season in the beginning of January and increased absenteeism due to the recent Covid-19 wave. The beginning of the year saw intense flooding in the Minas Gerais region resulting in the complete shutdown of both mines for five days. Following the reopening of the mines, the negative impacts of flooding on the infrastructure (roads and power) lasted until end of February 2022.
- Total definition, infill and exploration drilling was on plan at 26,305 metres, which was 38% higher than Q1 2021 with 19,090 metres drilled. Turmalina increased by 78% in the comparative period, from 8,868 metres in Q1 2021 to 15,766 metres in Q1 2022.
- Operating costs totaled \$19.6 million in Q1 2022 compared to \$14.8 million in Q1 2021. The 33% increase in operating costs was mainly due to inflation in the past twelve months, with labour costs increasing by approximately 10%, mining materials by approximately 28%, and plant consumables increasing by approximately 42%. This was combined with increased secondary development, which is fully expensed as operating costs, from 1,138 metres in Q1 2021 to 1,247 metres in Q1 2022. Also due to valuation of the Brazilian Real versus the US dollar, with the average exchange rate during Q1 2022 being R\$5.23 per US dollar compared to R\$5.48 per US dollar in Q1 2021.
- Net loss was \$6 million in Q1 2022 compared to net income of \$6.1 million in Q1 2021 resulting in a decrease of \$12.1 million. This loss was mainly due to the foreign exchange loss of \$4.6 million and \$4.9 million increase in operating costs as discussed above. The exchange rate averaged R\$5.23 during Q1 2022 per US dollar (R\$5.48 during Q1 2021) and closed at R\$4.74 per US dollar on March 31, 2022, (R\$5.70 per US dollar on March 31, 2021).

Cash Operating Costs¹, All-In-Sustaining Costs ("AISC")¹, Non-Sustaining Capital Expenditures¹, Operating Cash Flow and Free Cash Flow¹.

- Cash operating costs per ounce sold increased 42% to \$1,188 per ounce of gold in Q1 2022 from \$835 in Q1 2021 as a result of the 33% increase in the operating costs, due to inflationary pressure on consumables and labour, combined with an 7% decrease in ounces of gold sold in Q1 2022 with 16,507 ounces, compared to 17,677 ounces in Q1 2021, and the valuation of the Brazilian Real versus the US dollar, with a 5% increase in the average exchange rate during Q1 2022 being R\$5.23 per US dollar compared to R\$5.48 per US dollar in Q1 2021
- All-in Sustaining Costs increased to \$1,680 per ounce of gold sold for Q1 2022, compared to \$1,296 per ounce of gold sold for Q1 2021 due to the cash cost increase as explained above.
- Non-sustaining capital expenditures increased 59% from \$2.8 million in Q1 2021 to \$4.5 million in Q1 2022. The increase includes the construction of projects, such as the tailings filtering system at the Pilar plant, as well as growth exploration drilling.
- Free cash flow was \$2.7 million for Q1 2022 based on operating cash flow plus asset retirement obligation expenditures less capital expenditures, compared to \$0.2 million in Q1 2021. Free cash flow was \$161 per ounce sold in Q1 2022 compared to \$11 per ounce sold in Q1 2021. Free cash flow for Q1 2022 was higher than Q1 2021 mainly due to the saving on income taxes paid by utilizing credits resulting in \$nil cash taxes paid in in Q1 2022, compared to \$ 3.3 million for Q1 2021.

Cash Position and Working Capital¹

- As of March 31, 2022, the Company had a cash and cash equivalents position of \$34.8 million, compared to \$40.4 million on December 31, 2021.
- As of March 31, 2022, working capital was \$22.4 million, compared to \$32 million on December 31, 2021, which includes \$3 million (December 31, 2021 – \$3 million) in short term loans from Brazilian banks. The decrease in working capital is due to lower operating cash flow generated during Q1 2021, an increase in taxes payable, combined with the strength of the Brazilian Real as compared to the US dollar, during the same period.

¹ This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

Cost Trends and Optimization Measures

- During Q1 2022, the Company's production was impacted by a severe rainy season in early 2022 which resulted in certain extraordinary expenditures approximating to \$1 million for the quarter. This included extra costs incurred on road and mine access remediation, sanitation and transportation expenses, and direct purchasing and higher stocking of certain high-risk items such as fuel, drinking water, etc.
- The Company is currently targeting cost reductions in head count, capital expenditures, third party services, warehousing (with focus on working capital), material and plant consumptions, and G&A. These cost cutting measures are expected to generate savings for remainder of 2022.
- The Company expects to deliver towards the lower end of its annual production guidance of 86,000 to 94,000 ounces. At the lower end of the guidance, with a US\$ to Brazilian Real foreign exchange ranging between R\$5-5.30 and incorporating the impacts of the cost savings initiative, the Company expects to meet the higher end of the annual AISC guidance of \$1,150 to \$1,250 per ounce for the remaining part of the year 2022.

Q1 2022 Quarterly Dividend

- The Company is also pleased to announce that its Board of Directors has declared a cash dividend of C\$0.04 per common share of the Company, to be paid on May 31, 2022, to shareholders of record as of the close of business on May 20, 2022. The dividend qualifies as an eligible dividend for Canadian income tax purposes.
- The Board of Directors intends to review, among other things, the Company's budget, cash flow forecast and existing market conditions on a quarterly basis in order to determine whether any additional dividends will be declared on Shares for subsequent quarters.

REVIEW OF OPERATING AND FINANCIAL RESULTS

Jaguar Mining Gold Production

(\$ thousands, except where indicated)	Q1 2022	Q1 2021	Change
Tonnes of ore mined	184,000	212,000	(13%)
Tonnes of ore processed	184,000	207,000	(11%)
Average head grade (g/t) ¹	3.19	3.10	3%
Average recovery rate (%)	89%	88%	1%
Gold (oz.)			
Produced	16,663	18,160	(8%)
Sold	16,507	17,677	(7%)

¹ The 'average head grade' represents the recalculated head-grade milled.

Gold production decreased 8% in Q1 2022 with 16,663 ounces, compared to 18,160 ounces produced in Q1 2021, mainly due to a 13% decrease in tonnes of ore processed from 212,000 in Q1 2021 to 184,000 in Q1 2022, partially offset by 3% increase in the average head grade from 3.10 g/t in Q1 2021 to 3.19 g/t in Q1 2022.

Turmalina Gold Mine Complex

Turmalina Quarterly Production

(\$ thousands, except where indicated)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Tonnes of ore mined	85,000	101,000	105,000	96,000	108,000	113,000	82,000	103,000
Tonnes of ore processed	86,000	101,000	103,000	100,000	105,000	111,000	81,000	104,000
Average head grade (g/t) ¹	3.10	3.55	3.49	3.01	2.84	3.27	4.40	3.41
Average recovery rate (%)	88%	88%	89%	88%	89%	87%	90%	88%
Gold (oz.)								
Produced	7,581	10,142	10,265	8,581	8,517	10,180	10,370	10,031
Sold	8,073	10,476	10,057	8,846	8,427	10,060	10,462	10,836
Cash operating cost (per oz. sold) ²	\$ 1,320	\$ 861	\$ 847	\$ 944	\$ 882	\$ 693	\$ 617	\$ 653
All-in sustaining cost (per oz. sold) ²	\$ 1,683	\$ 1,201	\$ 1,252	\$ 1,388	\$ 1,169	\$ 1,277	\$ 1,035	\$ 956
Cash operating cost (R\$ per tonne) ²	\$ 648	\$ 499	\$ 433	\$ 442	\$ 388	\$ 339	\$ 429	\$ 304

¹ The 'average head grade' represents the recalculated head-grade milled.

² Cash operating costs, average realized cost and All-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to the Non-GAAP Financial Performance Measures section of the MD&A.

During Q1 2022, Turmalina produced 7,581 ounces of gold compared to 8,517 ounces in Q1 2021, a decrease of 11% or 936 ounces. The decrease in ounces produced was a result of a 18% decrease in tonnes of ore processed from 105,000 in Q1 2021 to 86,000 in Q1 2022, partially offset by a 9% increase in the average head grade from 2.84 g/t in Q1 2021 to 3.10 g/t in Q1 2022. The cash operating cost per ounce sold for Q1 2022 increased by 50%, or \$438, compared to Q1 2021 as a result of increased costs due to inflationary pressures combined with lower ounces sold.

Turmalina Capital Expenditures

(\$ thousands)	Three months ended	
	2022	2021
Sustaining capital ¹		
Primary development	\$ 1,849	\$ 1,789
Brownfield exploration	218	145
Mine-site sustaining	867	480
Total sustaining capital¹	2,934	2,414
Mine-site non-sustaining	2,525	356
Asset retirement obligation (Dam closing project)	277	-
Total non-sustaining capital¹	2,802	356
Total capital expenditures	\$ 5,736	\$ 2,770

¹ Sustaining and non-sustaining capital are non-GAAP financial measures with no standard definition under IFRS. Refer to the non-GAAP Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended	
	March 31,	
	2022	2021
Primary development	796	553
Primary development	461	553
Exploration development	335	-
Secondary development	805	575
Total development	1,601	1,128
Definition drilling	-	933
Infill drilling	4,883	2,953
Exploration drilling	10,883	4,982
Total definition, infill, and exploration drilling	15,766	8,868

Mining

Located 1.5 hours west of Belo Horizonte, Turmalina is an underground mine that predominantly utilizes sub-level stoping as a mining method. Backfilling is completed using loose rockfill or cemented paste depending upon the situation. Turmalina is adapting its production profile to utilize the C orebodies on a much larger scale than in prior years. While the team is learning the needed practices to produce at significant rates from the C orebody, the mine is gaining flexibility and capacity as mining areas increase.

Turmalina produced 7,581 ounces in Q1 2022, a reduction of 11% compared to 8,517 in Q1 2021. Run-of-mine tonnage was 79% of plan, coming mainly from shallower parts of the C-zone. Development is being completed by both Jaguar crews and the mining contractor Toniolo Busnello (“TBSA”). Q1 2022 total development of 1,601 metres was 42% higher than the 1,128 metres from Q1 2021, mainly due to the 335 metre exploration development in the Northwest project in Q1 2022, as well the increase in secondary development from 575 metres from Q1 2021 to 805 metres in Q2 2022. Development of the ramp in the A-zone had reached the A15.2 sublevel. During Q1 2022, Jaguar continued to focus its development mainly in C-zone to allow operations in shallower parts of the mine.

Q1 2022 was challenging due to intense flooding in the region resulting in the shutdown of Turmalina mine for five days, having an impact on the infrastructure in the region that is still ongoing. Management focus was able to maintain development rates and exploration efforts, but ore production did not return to targeted production rates until the end of the quarter.

Also, in early January 2022, Brazil experienced another spike of COVID-19 with the Omicron variant, but the number of cases began ebbing by the beginning of February. Shorter quarantining periods helped to reduce the impact of the absenteeism.

In Q1 2021, an adjusted mining method was applied to the upper portions of C-zone to increase mine recovery and reduce mining cost in that area of the mine. The new mining system in place improved the waste/ore ratio, especially by reducing development in waste. The majority of stopes mined in Q1 2022 were in C-zone, increasing the production of ounces coming from this shallow area of the mine.

The team continued investing in reserve definition throughout the quarter. In-mine diamond drilling continues to be stepped up to identify several potential opportunities to grow Turmalina’s resources, as well as ensuring sustainable resource addition and reserve conversion. Two sets of smart diamond drill rigs, acquired to improve drilling productivity underground, were fully commissioned onsite in 2021 and are showing good performance and operational results.

During 2021, the Company dedicated efforts and identified opportunities in the form of data for starting key projects on or near the Turmalina site to improve and grow production in the future years. At Turmalina, the team started a project to develop the northwest trend of the CNW ore body at shallow levels beginning on Level 1, named Project Northwest. In Q1 2022, over 335 metres were completed, where two ramps and ventilation drifts are being developed to connect Turmalina to Faina, an orebody located 900 metres away underground. After analyzing exploration results, the Company is going to initiate a pre-feasibility study on the Faina resource to add mining capacity at Turmalina.

Processing

The processing plant at Turmalina is onsite, and the C-zone portal is within 200 metres of the crusher. The plant begins with primary and secondary crushing that feeds a crushed ore bin. The ore bin can feed any of the three ball mill circuits. The total milling capacity exceeds 3,000 tonnes per day. The plant currently operates only Mill #3, supplemented by Mill #1 when needed, which can easily handle current and expected mined tonnage rates. The ball mills provide ground ore to the carbon-in-pulp (“CIP”) circuit. Recoveries have historically been at approximately 90%. The plant operations continue working toward ongoing improvements to stabilize operations, focusing on costs reduction at the optimal possible rate. Tails are sent to a filtration system from which they can be provided to the paste plant for backfill, or to a dry stack area. During Q4 2021, Turmalina concluded the closure of its tailings dam project which started in Q2 2021. All tailings produced by the plant are being filtered and stacked in the dry stack facility already available in Turmalina.

Caeté Gold Mine Complex

Caeté Complex Quarterly Production

The Caeté Mining Complex (“Caeté”) includes the Pilar Gold Mine, the Caeté Processing Plant and the Roça Grande Gold Mine (“Roça Grande”). On March 22, 2018, Roça Grande was placed on care and maintenance. Ore from Pilar is trucked a total distance of approximately 40 kilometres by road to the Caeté plant, which has a capacity of 2,200 tonnes per day and includes gravity, flotation and CIP processing.

Pilar Quarterly Production

(\$ thousands, except where indicated)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Tonnes of ore mined	99,000	115,000	119,000	113,000	104,000	115,000	105,000	109,000
Tonnes of ore processed (t)	98,000	112,000	119,000	114,000	102,000	117,000	111,000	104,000
Average head grade (g/t) ¹	3.27	4.04	3.68	3.65	3.37	3.73	4.39	4.59
Average recovery rate (%)	89%	88%	88%	87%	87%	88%	88%	87%
Gold (oz.)								
Produced	9,082	12,761	12,338	11,631	9,643	12,353	13,724	13,452
Sold	8,434	13,003	13,190	11,389	9,250	13,248	12,473	14,134
Cash operating cost (per oz. sold) ²	\$ 1,063	\$ 755	\$ 823	\$ 791	\$ 792	\$ 714	\$ 612	\$ 535
All-in sustaining cost (per oz. sold) ²	\$ 1,392	\$ 935	\$ 1,000	\$ 1,043	\$ 1,195	\$ 1,013	\$ 822	\$ 732
Cash operating cost (R\$ per tonne) ²	\$ 478	\$ 490	\$ 477	\$ 418	\$ 394	\$ 436	\$ 370	\$ 325

¹ The 'average head grade' represents the recalculated head-grade milled.

² Cash operating costs, average realized cost and All-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to the Non-GAAP Financial Performance Measures section of the MD&A.

During Q1 2022, Pilar produced 9,082 ounces of gold compared to 9,643 ounces in Q1 2021, a decrease of 6%, mainly due to the 4% decrease in tonnes of ore processed from 102,000 in Q1 2021 to 98,000 in Q1 2022, and a 3% decrease in average head grade from 3.37 g/t in Q1 2021 to 3.27 g/t in Q1 2022. The cash operating cost per ounce sold for Q1 2022 increased 34% as compared to Q1 2021 as a result of increased costs due to inflationary pressures combined with lower ounces sold.

Pilar Capital Expenditures

(\$ thousands, except where indicated)	Three months ended	
	March 31,	
	2022	2021
Sustaining capital ¹		
Primary development	\$ 1,978	\$ 1,428
Brownfield exploration	179	135
Mine-site sustaining	617	2,164
Total sustaining capital¹	2,774	3,727
Mine-site non-sustaining	1,249	1,499
Asset retirement obligation (Dam closing project)	209	-
Total non-sustaining capital¹	1,458	1,499
Total capital expenditures	\$ 4,232	\$ 5,226

¹ Sustaining and non-sustaining capital are non-GAAP financial measures with no standard definition under IFRS. Refer to the non-GAAP Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended	
	March 31,	
	2022	2021
Primary development	578	325
Primary development	434	325
Exploration development	144	-
Secondary development	442	563
Total development	1,020	888
Definition drilling	695	316
Infill drilling	2,567	1,648
Exploration drilling	7,277	4,766
Total definition, infill, and exploration drilling	10,539	6,730

Mining

Located two hours east of Belo Horizonte, Pilar is an underground mine that predominantly utilizes sub-level stoping as a mining method. Backfilling is completed using loose rockfill. Pilar mine production had a continuous and sustainable increase from 2017 to 2020. However, this cycle was interrupted in 2021 due to the COVID-19 pandemic. Strong ground conditions have allowed for fairly large stoping blocks to be removed, providing large productive mining cycles. .

Pilar production declined 6% in Q1 2022 to 9,082 ounces produced compared to 9,643 in Q1 2021. The decrease in production was due to intense flooding in the region which resulted in the Pilar mine being shut down for five days, and had an impact on the infrastructure in the region. Management focus was able to maintain development rates and exploration efforts, but ore production did not return to targeted production rates until the end of the quarter. Combined with another wave of COVID-19 with the Omicron variant, the number of cases began increasing by the beginning of February 2022. Shorter quarantining periods helped reduce the impact of the absenteeism.

The development rate in Q1 2022 increased by 15% with a total development of 1,020 metres in Q1 2022, compared to 888 metres from Q1 2021. This rate was adequate to maintain several sublevels of development ahead of the planned mining sequence. This provides flexibility to adapt to mining issues, and the ability to continue meeting and exceeding ounce production targets in a sustainable manner. Pilar utilizes an external contractor in the lowest portion of the mine for development, extending the main ramp and developing new sub-levels. The Company initiated Project Southwest to increase access to and expand the southwest ore system, resulting in 144 metres of development in Q1 2022. Stopping activities on level 9 this year have indicated potential continuity from the second through eighth levels. In Q1 2022, over 200 metres were developed in four different levels on Project Southwest, and we have budgeted to complete approximately 1,000 metres in 2022. Project Southwest has 282,000 ounces of measured, indicated, and inferred resources at approximately 4.0 g/t (see AIF December 31, 2021).

Processing

Ore is processed at Jaguar's Caeté processing plant, which is located approximately 40 km from Pilar. The plant utilizes gravity recovery which recovers about 50% of the gold, followed by a flotation circuit and leaching of the flotation concentrate in a CIP circuit. Historic recoveries have commonly ranged from 85 to 90%. The plant has capacity for approximately 2,200 tonnes per day, and a significant opportunity is available for additional feed. The non-sulfide tails (flotation tails) are dry-stacked, and leach tails are sent to the Moita Dam. At the Caeté plant, the restrictions relating to the pandemic impacted the implementation of several projects, including the construction of the leaching tails plant after which leach tailings will also be dry stacked. In the later part of 2021, the Caeté plant experienced a notable reduction in pandemic infection rates, allowing the full resumption of the construction of capital projects such as the tailings filtering system, and we expect that this project will be completed by the end of Q2 2022.

CONSOLIDATED FINANCIAL RESULTS

Quarterly Financial Review

(\$ thousands except where indicated)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Revenue	\$ 30,619	\$ 42,703	\$ 40,748	\$ 36,330	\$ 31,686	\$ 43,417	\$ 43,494	\$ 42,536
Operating cost	(19,617)	(18,838)	(19,373)	(17,365)	(14,761)	(16,424)	(19,373)	(14,638)
Depreciation	(4,696)	(5,089)	(5,608)	(5,636)	(4,759)	(3,767)	(5,608)	(4,023)
Gross profit	6,306	18,776	15,767	13,329	12,166	23,226	18,513	23,875
Net (loss) income	(6,034)	13,687	11,415	2,980	6,109	24,294	16,534	19,178
Cash flows from operating activities	7,707	9,581	16,354	12,634	6,466	20,606	21,919	27,505
Total assets	271,455	270,010	255,301	249,122	246,875	249,766	228,450	212,678
Total liabilities	67,857	58,581	55,237	58,554	54,660	60,066	58,331	53,088
Non-current financial liabilities	30,583	27,740	27,522	29,813	27,890	28,811	28,135	27,789
Current income taxes	2,396	-	3,491	2,552	1,894	3,213	5,343	3,932
Notes payable	\$ 3,038	\$ 3,027	\$ 3,023	\$ 3,037	\$ 3,017	\$ 3,058	\$ 3,219	\$ 4,276

Revenue

(\$ thousands, except where indicated)	Three months ended		
	March 31,		
	2022	2021	Change
Revenue	\$ 30,619	\$ 31,686	(3%)
Ounces sold	16,507	17,676	(7%)
Average realized gold price ¹	\$ 1,855	\$ 1,793	3%
Average market gold price ¹	\$ 1,876	\$ 1,794	5%

¹ Average realized gold price and average market gold price, are a non-GAAP financial performance measure with no standard definition under IFRS. For further information, refer to the non-GAAP Financial Performance Measures section of the MD&A.

Revenue for Q1 2022 decreased 3% compared to Q1 2021, primarily due to a 7% reduction in ounces of gold sold of 16,507 in Q1 2022 as compared to 17,676 ounces in Q1 2021, partially offset by the increase in average realized gold price from \$1,793/oz. in Q1 2021 to \$1,855/oz. in Q1 2022. The market price of gold (London PM Fix) traded at an average market price of \$1,876 per ounce, varying between \$1,788 and \$2,017, and closed at \$1,924 per ounce on March 31, 2022. The average realized price of \$1,855 per ounce for Q1 2022 is marginally in line with the average market price.

Consolidated Production Costs

(\$ thousands, except where indicated)	Three months ended		
	March 31,		
	2022	2021	Change
Direct mining and processing cost	\$ 18,765	\$ 13,995	34%
Mining	11,042	8,831	25%
Processing	7,723	5,164	50%
Royalties, production taxes and others	852	766	11%
Royalty expense and CFEM taxes	852	961	(11%)
Others	-	(195)	(100%)
Total operating expenses	\$ 19,617	\$ 14,761	33%
Depreciation	4,696	4,759	(1%)
Total cost of sales	\$ 24,313	\$ 19,520	25%

Total operating expenses increased 33% from \$14.8 million in Q1 2021 to \$19.6 million in Q1 2022. The 33% increase in operating production costs is mainly due to inflation increase for the past twelve months, with labour costs increasing by approximately 10%, mining materials increasing by approximately 28%, and plant consumables increasing by approximately 42%. Increased secondary development, which is fully expensed as operating costs, from 1,138 metres in Q1 2021 to 1,247 metres in Q1 2022 also impacted operating expenses.

Care and Maintenance Costs

The Paciência Gold Mine Complex has been on care and maintenance since 2012, and the Roca Grande Mine has been on care and maintenance since 2018. Care and maintenance costs were \$0.2 million in Q1 2022, compared to \$0.3 million in Q1 2021.

General and Administration Expenses

General and administration (“G&A”) expenses exclude mine-site administrative costs that are charged directly to operations and include legal, accounting, costs to maintain offices and personnel in Belo Horizonte, Brazil and Toronto, Canada, and other corporate costs associated with being a publicly traded Company.

	Three months ended		
	March 31,		
	2022	2021	Change
Directors' fees	\$ 95	\$ 86	10%
Audit related and insurance	327	355	(8%)
Corporate office (Toronto)	487	422	15%
Belo Horizonte office	868	541	60%
Total G&A expenses	\$ 1,777	\$ 1,404	27%

For Q1 2022, total G&A expenses increased 27% compared Q1 2021. Costs associated with the Belo Horizonte office increased 60% mainly due to an increase with labour expenses in Q1 2022 due to 2021 profit sharing payment, and also due to valuation of the Brazilian Real versus the US dollar, with the average exchange rate during Q1 2022 being R\$5.23 per US dollar compared to R\$5.48 per US dollar in Q1 2021.

Non-Operating Expenses (Recoveries)

(\$ thousands)	Three months ended		
	March 31,		
	2022	2021	Change
Foreign Exchange loss (Gain)	\$ 4,596	\$ (2,292)	(301%)
Finance (recoveries) costs	658	295	123%
Other non-operating expenses	698	1,735	(60%)
Non-operating expenses	\$ 5,952	\$ (262)	(2372%)

A significant portion of the Company’s expenditures at its Brazilian operation are denominated in the Brazilian Real. The loss of \$4.6 million in foreign exchange in Q1 2022, compared to a \$2.3 million gain in Q1 2021, is a result of the appreciation or devaluation, respectively, of the Brazilian Real as compared to the US dollar. The exchange rate as at January 1, 2022, was R\$5.63 per US dollar (R\$5.16 per US dollar on January 1, 2021), but closing at R\$4.74 per US dollar on March 31, 2022, (R\$5.70 per US dollar on March 31, 2021), with the average exchange rate being R\$5.23 per US dollar during Q1 2022 (R\$5.48 during Q1 2021).

Other non-operating expenses decreased 60% to \$0.7 million in Q1 2022, compared to \$1.7 million in Q1 2021. The balance of \$1.7 million in other non-operating expenses in Q1 2021 it is mainly due to the loss on sale of the CentroGold royalty interest, and the balance of \$0.7 million in Q1 2022 is mostly related to the loss on disposition of property, plant and equipment.

Taxes

Brazilian Taxes

Brazilian tax regulation involves three jurisdictions and tax collection levels: federal, state and municipal. The main taxes levied are: corporate income tax with companies generally subject to income tax at a rate of 25%, social contribution tax on the net profit at a current rate of 9%, value-added taxes at a rate of 9.25% for PIS/COFINS and 12–18% for ICMS.

PIS and COFINS are federal taxes imposed monthly on gross revenue earned by legal entities. The calculation method is, in the Company's case, non-cumulative, under which PIS and COFINS are levied on gross revenue at 1.65% and 7.6%, respectively, with deductions of input tax credits for expenses strictly connected to the Company's business and prescribed by the regulating laws. The export of goods and services are exempt provided funds effectively enter the country. PIS and COFINS are due on importations of goods and services from abroad (PIS-Import and COFINS-Import).

As of March 31, 2022, the Company's \$8.2 million withholding tax provision remained outstanding (December 31, 2021 – \$8.2 million).

Government and Beneficiaries Royalty

Compensação Financeira pela Exploração de Recursos Minerais ("CFEM") is a 1.5% Brazilian government royalty levied on gross gold sales less refining charges and insurance, as well as any applicable sales taxes that are calculated on gross revenue only.

Income Tax Expenses

(\$ thousands)	Three months ended		
	March 31,		
	2022	2021	Change
Current income tax expense	\$ 2,396	\$ 1,894	27%
Income tax expense	\$ 2,396	\$ 1,894	27%

The current income tax expense relates to taxable income in Brazil. At the beginning of the year, MSOL had significant accumulated tax loss carryforwards; however, under Brazilian tax legislation, only 30% of taxable income can be applied against tax loss carryforwards each year.

The income tax provision is subject to a number of factors, including the allocation of income between different countries, different tax rates in various jurisdictions, the non-recognition of tax assets, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, it is expected that the Company's effective tax rate will fluctuate in future periods.

For Q1 2022, current income tax expense was \$2.4 million compared to \$1.9 million in Q1 2021. The increase of 27% in the comparison period is a result of the valuation of the Brazilian Real as compared to the US dollar, closing at R\$4.74 per US dollar on March 31, 2022, (R\$5.70 per US dollar on March 31, 2021).

REVIEW OF FINANCIAL CONDITION

Outstanding Debt, Liquidity and Cash Flow

As of March 31, 2022, the Company had a working capital of \$22.4 million (\$32 million as of December 31, 2021), including \$3 million in loans from Brazilian banks, which mature every six months and are expected to continue to be rolled forward.

(\$ thousands)	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 34,763	\$ 40,373
Non-cash working capital		
Other current assets:		
Restricted cash	547	501
Inventory	15,487	14,546
Recoverable taxes	6,068	5,143
Other accounts receivable	131	92
Prepaid expenses and advances	2,658	2,176
Current liabilities:		
Accounts payable and accrued liabilities	(18,983)	(15,660)
Notes payable	(3,038)	(3,027)
Lease liabilities	(1,225)	(1,431)
Current tax liability	(2,396)	-
Other taxes payable	(925)	(935)
Reclamation provisions	(7,244)	(6,847)
Legal and other provisions	(3,463)	(2,941)
Working capital¹	\$ 22,380	\$ 31,990

¹ This is a non-GAAP financial performance measure with no standard definition under IFRS.

The decrease of 30% in working capital is due to lower operating cash flow generated during Q1 2022, which was mainly due to increased operating costs of \$4.9 million in Q1 2022 compared to Q1 2021 resulting from inflationary pressure on consumables and labour, combined with the impacts on the operation during the rainy season in January 2022 for about eight days, with five days of complete shutdown in both mines. Working capital was also impacted by the strength of the Brazilian Real as compared to the US dollar in Q1 2022. The exchange rate as at January 1, 2022, was R\$5.63 per US dollar (R\$5.16 per US dollar in January 1, 2021), and closing rate was at R\$4.74 per US dollar on March 31, 2022, (R\$5.70 per US dollar on March 31, 2021), with the average exchange rate being R\$5.23 during Q1 2022 per US dollar (R\$5.48 during Q1 2021).

Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets as reported in the Company's consolidated statement of financial position.

The use of funds during the three months ended March 31, 2022, is outlined as follows:

(\$ thousands)	Three months ended March 31,	
	2022	2021
Cash provided by operating activities before income taxes	\$ 7,707	\$ 9,751
Income taxes paid	-	(3,285)
Net cash provided by operating activities	\$ 7,707	\$ 6,466
Investing activities		
Investment in mineral exploration projects	(1,169)	(442)
Purchase of property, plant and equipment	(8,260)	(9,405)
Proceeds from dispositions of royalty interests	-	6,950
Proceeds from dispositions of property, plant and equipment	117	-
Net cash (used in) investing activities	\$ (9,312)	\$ (2,897)
Financing activities		
Cash received upon issuance of debt	1,650	2,975
Cash received upon issuance of shares via stock options exercised	2	555
Cash received upon redemption of restricted cash margin deposits	-	26
Repayment of debt	(2,390)	(3,702)
Interest paid	(45)	(83)
Cash dividends paid	(2,319)	(4,616)
Net cash (used in) financing activities	\$ (3,102)	\$ (4,845)
Effect of exchange rate changes on cash balances	(903)	(30)
Net (decrease) in cash and equivalents	\$ (5,610)	\$ (1,306)

Cash generated by operations before income taxes decreased by 21% in Q1 2022 to \$7.7 million, compared to \$9.8 million in Q1 2021, due to inflationary pressure on consumables and labour, combined with increased secondary development, which is fully expensed as operating costs, from 1,138 metres in Q1 2021 to 1,247 metres in Q1 2022. Cash flow was also impacted by reduced production during the rainy season in January 2022, with operations impacted for about eight days, including five days of complete shutdown in both mines. Reduced production and higher costs were partially offset by a 3% increase in average realized gold price to \$1,855 per ounce in Q1 2022, compared to \$1,793 per ounce in Q1 2021. Income taxes payment was \$nil in Q1 2022, due to a Brazilian tax election made in Q4 2021 which resulted in a no taxes paid in Q1 2022. For Q1 2021 Income taxes payment was \$3.3 million, related to Q4 2020 results. In addition, operating cash flow was impacted by the valuation of the Brazilian Real as compared to the US dollar with the average exchange rate being R\$5.23 during Q1 2022 per US dollar compared to R\$5.48 during Q1 2021.

Net cash flows used in investing activities increased to \$9.3 million for Q1 2022, compared to \$2.9 million in Q1 2021, primarily due to the \$7 million received in cash related to the sale of the Company's Net Smelter Return ("NSR") royalty from gold production at the CentroGold Project in Q1 2021.

Net cash flows used in financing activities decreased 36% or \$1.7 million for Q1 2022 to \$3.1 million compared to \$4.8 million in Q1 2021, primarily as a result of a 50% decrease in cash used to pay dividends, from \$4.6 million in Q1 2021 to \$2.3 million in Q1 2022.

Contractual Obligations and Commitments

The Company's contractual obligations as at March 31, 2022, are summarized as follows:

(\$ thousands, except where indicated)	Less than		More than		Total
	1 year	1 - 3 years	3 - 5 years	5 years	
Financial Liabilities					
Accounts payable and accrued liabilities	\$ 18,983	\$ -	\$ -	\$ -	\$ 18,983
Other Taxes Payable ¹					
ICMS Settlement Due	323	83	-	-	406
INSS	596	1,186	-	-	1,782
IRPJ & CSLL Settlement Due	217	430	116	-	763
Notes payable					
Principal					
Bank indebtedness ²	3,038	-	-	-	3,038
Interest	102	62	-	-	164
Lease liabilities	1,028	2,469	295	-	3,792
Reclamation provisions ³	7,244	5,318	7,536	3,100	23,198
Current tax liability	2,396	-	-	-	2,396
Total financial liabilities	\$ 33,927	\$ 9,548	\$ 7,947	\$ 3,100	\$ 54,522
Other Commitments					
Suppliers' agreements ⁴	337	-	-	-	337
Others	350	-	-	-	350
Total other commitments	\$ 687	\$ -	\$ -	\$ -	\$ 687
Total	\$ 34,614	\$ 9,548	\$ 7,947	\$ 3,100	\$ 55,209

¹ Financial liabilities within Other taxes payable include state value-add taxes payable (*ICMS – Imposto sobre circulação de mercadorias e prestação de serviços*), payroll taxes payable (*INSS - Instituto Nacional do Seguro Social*), and federal income taxes payable (*IRPJ - Imposto de renda pessoa jurídica and CSLL - Contribuição social*).

² Bank indebtedness represents the principal on Brazilian short-term bank loans which are renewed in 180 day periods.

³ Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

⁴ Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares. The Company has the contractual right to cancel the mine operation contracts with 30 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 days.

CAPITAL STRUCTURE

The capital structure of the Company as of March 31, 2022, is as follows:

All amounts in \$ thousands, except number of common shares	As at March 31, 2022	
Cash and cash equivalents	\$	34,763
Less: Bank indebtedness	\$	3,038
Less: Leasing Liabilities		3,358
Less: Total debt	\$	6,396
Total net cash and cash equivalents balance¹	\$	28,367
Number of common shares outstanding		72 million

¹ Net cash and cash equivalents balance is a non-GAAP Performance Measure and is defined as total indebtedness excluding unamortized transaction costs and premiums or discounts associated with debt, less cash and cash equivalents. The Company reduces cash and cash equivalents balance by gross indebtedness on the basis to identify the net cash and cash equivalents balance.

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet investment or debt arrangements.

RELATED PARTY TRANSACTIONS

The Company incurred legal fees from Azevedo Sette Advogados (“ASA”), a law firm where Luis Miraglia, a director of Jaguar, is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss). Legal fees paid to ASA were \$0.01 million in Q1 2022 (\$0.02 million in Q1 2021).

DEVELOPMENT AND EXPLORATION PROJECTS

Iron Quadrangle Option Agreement with IAMGOLD Corporation

On August 26, 2020, the Company entered into a JV Agreement (the “Iron Quadrangle Agreement”) with IAMGOLD on a package of 28 exploration tenements (the “Package”) in the prolific Iron Quadrangle, located in Minas Gerais, Brazil. Pursuant to the Iron Quadrangle Agreement, the Company has the option to earn an initial 60% interest in the Package by spending \$6 million in exploration expenditures over four years commencing in the fourth quarter of 2020. Jaguar will be the project operator and will be subject to oversight by a technical committee with representatives from both companies. According to the Agreement:

- The earn-in period will require a minimum expenditure of \$500,000 per annum, and the exploration program must include the completion of a minimum of 5,000 metres of diamond drilling over the option agreement time frame.
- Upon Jaguar earning an initial 60% interest, IAMGOLD 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. Should such an election be made, 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.

The Company has invested a total amount of \$2.1 million in exploration expenditures on the option agreement with IAMGOLD since Q3 2020, of which \$0.3 million was expended in Q1 2022 and \$0.5 million was expended in Q1 2021.

Greenfield Exploration

Jaguar currently holds approximately 33,000 hectares of mineral rights in Brazil. In late 2020, the Company announced it was increasing its investment in growth exploration initiatives with in-mine exploration supplemented by renewed focus on its prospective property portfolio close to its active mining and plant facilities. Any discoveries derived from this exploration investment would immediately leverage the excess plant capacity currently available.

QUALIFIED PERSON

Scientific and technical information contained in this MD&A have been reviewed and approved by Jonathan Victor Hill, BSc (Hons) (Economic Geology - UCT), 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*.

OUTSTANDING SHARE DATA

The following are the issued and outstanding common shares and numbers of shares issuable under share-based compensation and warrants:

	As at May 11, 2022
Issued and outstanding common shares	72,462,286
Stock options	1,045,371
Deferred share units	723,875
Total	74,231,532

NON-GAAP PERFORMANCE MEASURES

The Company has included the following Non-GAAP performance measures in this document: cash operating costs per tonne of ore processed, cash operating costs per ounce of gold sold, all-in sustaining costs per ounce of gold sold, cash operating margin per ounce of gold sold, all-in sustaining margin per ounce of gold sold, average realized gold price (per ounce of gold sold), sustaining capital expenditures, non-sustaining capital expenditures, adjusted operating cash flow, free cash flow, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA per share and working capital. These Non-GAAP performance measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. More specifically, Management believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and (iii) an internal benchmark of performance to allow for comparison against other mines. The definitions of these performance measures and reconciliation of the Non-GAAP measures to reported IFRS measures are outlined below.

Reconciliation of Cash Operating Costs in Brazilian Real per tonne by Mine Complex/Site

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Turmalina Complex								
Operating Costs	\$ 10,654	\$ 9,016	\$ 8,517	\$ 8,350	\$ 7,436	\$ 6,970	\$ 6,451	\$ 7,074
Gold (oz.) sold	8,073	10,476	10,057	8,846	8,427	10,060	10,462	10,836
Cash operating cost (per oz. sold) ¹	\$ 1,320	\$ 861	\$ 847	\$ 944	\$ 882	\$ 693	\$ 617	\$ 653
Tonnes of ore processed (t)	86,000	101,000	103,000	100,000	105,000	111,000	81,000	104,000
Average foreign exchange rate (BRL - USD)	\$ 5.23	\$ 5.59	\$ 5.23	\$ 5.29	\$ 5.48	\$ 5.39	\$ 5.38	\$ 4.47
Cash operating cost (R\$ per tonne) ¹	\$ 648	\$ 499	\$ 433	\$ 442	\$ 388	\$ 339	\$ 429	\$ 304
Pilar Mine								
Operating Costs	\$ 8,963	\$ 9,822	\$ 10,856	\$ 9,015	\$ 7,325	\$ 9,454	\$ 7,638	\$ 7,564
Gold (oz.) sold	8,434	13,003	13,190	11,389	9,250	13,248	12,473	14,134
Cash operating cost (per oz. sold) ¹	\$ 1,063	\$ 755	\$ 823	\$ 791	\$ 792	\$ 714	\$ 612	\$ 535
Tonnes of ore processed (t)	98,000	112,000	119,000	114,000	102,000	117,000	111,000	104,000
Average foreign exchange rate (BRL - USD)	\$ 5.23	\$ 5.59	\$ 5.23	\$ 5.29	\$ 5.48	\$ 5.39	\$ 5.38	\$ 4.47
Cash operating cost (R\$ per tonne) ¹	\$ 478	\$ 490	\$ 477	\$ 418	\$ 394	\$ 436	\$ 370	\$ 325

¹ Cash operating cost (per oz. sold), average foreign exchange rate (BRL - USD), and cash operating cost (R\$ per tonne) are non-GAAP financial performance measures with no standard definition under IFRS. Refer to the non-GAAP Financial Performance Measures section of the MD&A.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs and All-In Costs per Ounce Sold

(\$ thousands, except where indicated)	Three months ended March 31,	
	2022	2021
Operating costs	\$ 19,617	\$ 14,761
General & administration expenses	1,777	1,404
Corporate stock-based compensation	522	467
Sustaining capital expenditures ¹	5,812	6,269
All-in sustaining cash costs	27,728	22,901
Reclamation - accretion (operating sites)	-	8
All-in sustaining costs	\$ 27,728	\$ 22,909
Non-sustaining capital expenditures	4,477	2,808
Exploration and evaluation costs (greenfield)	1,522	1,237
Reclamation - accretion (non-operating sites)	56	16
Care and maintenance (non-operating sites)	179	331
All-in costs	\$ 33,962	\$ 27,301
Ounces of gold sold	16,507	17,676
Cash operating costs per ounce sold²	\$ 1,188	\$ 835
All-in sustaining costs per ounce sold²	\$ 1,680	\$ 1,296
All-in costs per ounce sold²	\$ 2,057	\$ 1,545
Average realized gold price	\$ 1,855	\$ 1,793
Cash operating margin per ounce sold	\$ 667	\$ 958
All-in sustaining margin per ounce sold	\$ 175	\$ 497

¹ Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

² Cash operating costs, all-in sustaining costs and all-in costs are all non-GAAP financial performance measures with no standard definition under IFRS. Result may not calculate due to rounding.

Cash operating costs per ounce sold is calculated by dividing operating costs per the consolidated statement of comprehensive income (loss) by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, but excludes depreciation.

All-in sustaining cost performance reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs and sustaining exploration. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments and taxes.

In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist investors in evaluating the revenue received in a period from each ounce of gold sold.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs per Ounce Sold by Mine Complex/Site

Turmalina Complex	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Operating costs	\$ 10,654	\$ 9,016	\$ 8,517	\$ 8,350	\$ 7,436	\$ 6,970	\$ 6,451	\$ 7,074
Sustaining capital expenditures	2,934	3,562	4,073	3,926	2,414	5,880	4,380	3,287
All-in sustaining costs¹	\$ 13,588	\$ 12,578	\$ 12,590	\$ 12,276	\$ 9,850	\$ 12,850	\$ 10,831	\$ 10,361
Ounces of gold sold	8,073	10,476	10,057	8,846	8,427	10,060	10,462	10,836
Cash operating costs per ounce sold¹	\$ 1,320	\$ 861	\$ 847	\$ 944	\$ 882	\$ 693	\$ 617	\$ 653
All-in sustaining cost per ounce sold^{1,2}	\$ 1,683	\$ 1,201	\$ 1,252	\$ 1,388	\$ 1,169	\$ 1,277	\$ 1,035	\$ 956

Pilar Mine	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Operating costs	\$ 8,963	\$ 9,822	\$ 10,856	\$ 9,015	\$ 7,325	\$ 9,454	\$ 7,638	\$ 7,564
Sustaining capital expenditures	2,774	2,337	2,337	2,867	3,727	3,968	2,612	2,785
All-in sustaining costs¹	\$ 11,737	\$ 12,159	\$ 13,193	\$ 11,882	\$ 11,052	\$ 13,422	\$ 10,250	\$ 10,349
Ounces of gold sold	8,434	13,003	13,190	11,389	9,250	13,248	12,473	14,134
Cash operating costs per ounce sold¹	\$ 1,063	\$ 755	\$ 823	\$ 791	\$ 792	\$ 714	\$ 612	\$ 535
All-in sustaining cost per ounce sold^{1,2}	\$ 1,392	\$ 935	\$ 1,000	\$ 1,043	\$ 1,195	\$ 1,013	\$ 822	\$ 732

¹ Cash operating costs and all-in sustaining costs are all non-GAAP financial performance measures with no standard definition under IFRS. Results of individual mines may not add up to the consolidated numbers due to rounding.

² The calculation by mine site does not include allocation of the Corporate G&A - Toronto and Belo offices.

Reconciliation of sustaining capital and non-sustaining capital expenditures

(\$ thousands)	Three months ended	
	March 31,	
	2022	2021
Sustaining capital ¹		
Primary development	\$ 3,827	\$ 3,217
Brownfield exploration	397	280
Mine-site sustaining	1,484	2,644
Other sustaining capital ²	104	128
Total sustaining capital¹	5,812	6,269
Non-sustaining capital (including capital projects) ¹		
Mine-site non-sustaining	3,774	2,808
Asset retirement obligation - non-sustaining ³	703	-
Total non-sustaining capital¹	4,477	2,808
Total capital expenditures	\$ 10,289	\$ 9,077

¹ Sustaining and non-sustaining capital are non-GAAP financial measures with no standard definition under IFRS. Refer to the non-GAAP Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

² Other sustaining and non-sustaining capital are related to Belo Office and others projects.

³ Asset retirement obligation - non-sustaining is related to expenditures with dam closing projects. Payments related to the Company asset retirement obligation are classified as operating activities in accordance with IFRS financial measures.

Other sustaining capital are mainly connected to investments at Belo Office, and non-sustaining capital expenditures are related to exploration investments focused on a new cycle of resource delineation throughout the Company's projects in progress.

Reconciliation of Free Cash Flow¹

The Company uses the financial measure free cash flow, which is a non-GAAP financial performance measure, to supplement information in its consolidated financial statements. Free cash flow does not have any standardized meaning prescribed under IFRS, and therefore it may not be comparable to similar measures employed by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance with respect to its operating cash flow capacity to meet non-discretionary outflows of cash.

Free cash flow from operations is defined as cash provided from operating activities, less changes in long-term receivable sustaining capital expenditures, and add back impact from asset retirement obligation. This measure is used by the Company and investors to measure the cash flow available to fund the Company's growth through investments and capital expenditures.

(\$ thousands, except where indicated)	Three months ended	
	March 31,	
	2022	2021
Cash generated from operating activities	\$ 7,707	\$ 6,466
Adjustments		
Asset Retirement Obligation	755	-
Sustaining capital expenditures ²	(5,812)	(6,269)
Free cash flow	\$ 2,650	\$ 197
Ounces of gold sold	16,507	17,676
Free cash flow per ounce sold	\$ 161	\$ 11

¹ This is a non-GAAP financial performance measure with no standard definition under IFRS.

² Further detail on the sustaining capital expenditures composition can be find on the reconciliation of sustaining capital and non-sustaining capital expenditures in the non-GAAP reconciliation in the file.

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA¹

(\$ thousands, except where indicated)	Three months ended	
	March 31,	
	2022	2021
Net (loss) Income	\$ (6,034)	\$ 6,109
Income tax expense	2,396	1,894
Finance costs	658	295
Depreciation and amortization	4,715	4,775
EBITDA	\$ 1,735	\$ 13,073
Changes in other provisions and VAT taxes	(67)	700
Foreign exchange loss (gain)	4,596	(2,292)
Stock-based compensation	522	467
Adjusted EBITDA¹	\$ 6,786	\$ 11,948
Weighted average outstanding shares	72,461,569	73,501,972
Adjusted EBITDA per share¹	\$ 0.09	\$ 0.16

¹ This is a non-GAAP financial performance measure with no standard definition under IFRS.

EBITDA is earnings before finance expense, current and deferred income tax expense and depletion and depreciation. Adjusted EBITDA excludes from EBITDA the results of the impact of changes in other provision and VAT, Foreign exchange (gain), Stock-based compensation and financial instruments loss.

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial instrument risks, including but not limited to: credit risk, liquidity risk, currency risk, interest rate risk, and price risk.

a) Liquidity risk

To manage its liquidity risk, the Company undergoes an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factors are the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines. Other key factors include the Company's ability to continue to renew its Brazilian loan facilities and manage the payment process relating to its Brazilian labour provisions.

b) Derivative financial instruments

The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy. On an ongoing basis, the Company evaluates its price risk and currency risk and, when envisioned to be beneficial, engages in derivative financial instruments to manage these risks, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts.

1) Price risk

The Company is exposed to price risk with respect to gold prices on gold sales. The Company evaluates price risk and, when envisioned to be beneficial, may enter into hedge contracts to manage this risk and to secure future sales terms with customers. The Company does not use hedge accounting for these instruments and gain and losses are recorded in earnings as fair value changes occur as a component of revenue. In the three months ended March 31, 2022, the Company did not enter into any price hedge contracts (nil price derivative contracts in the three months ended March 31, 2021).

2) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include: Brazilian reais and Canadian dollar denominated cash and cash equivalents, recoverable taxes, accounts payable and accrued liabilities, income taxes payable, reclamation and other provisions and Euro denominated capital lease obligations. The Company may, at its discretion, use forward or derivative contracts to manage its exposure to foreign currencies. In the three months ended March 31, 2022, the Company did not enter into any foreign exchange forward or derivative contracts (nil foreign exchange derivative contracts in the three months ended March 31, 2021).

c) Interest rate risk

The Company is potentially exposed to interest rate risk on its outstanding borrowings and short-term investments. The Company managed its risk by entering into agreements with fixed interest rates on all of its debt with interest rates ranging from 3.9 to 7.1% per annum.

d) Changes in liabilities arising from financing activities

	Changes from financing cash flows				Other changes				Balance as at March 31, 2022
	Balance as at December 31, 2021	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Right-of-use lease obligations	Foreign exchange (gain) loss	Other non- cash changes	
Notes payable	\$ 3,027	\$ 1,650	\$ (1,650)	\$ (32)	\$ 32	\$ -	\$ 11	\$ -	\$ 3,038
Lease liabilities	3,865	-	(740)	-	-	203	6	24	3,358
	\$ 6,892	\$ 1,650	\$ (2,390)	\$ (32)	\$ 32	\$ 203	\$ 17	\$ 24	\$ 6,396

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks which could adversely affect the Company's future business, operations and financial condition, and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement on Forward-Looking Information found in this document. The Company is subject to various risks, known and unknown, arising from factors within or outside of its control. This section describes certain risks and uncertainties that may have an adverse effect on the Company's business, operations and financial results.

The business of the Company involves significant risk due to the nature of mining, exploration and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general, while others are specific to Jaguar. For a comprehensive discussion of the risks and uncertainties that may have an adverse effect on the Company's business, operations and financial results, refer to the Company's latest AIF, filed with Canadian securities regulatory authorities at www.sedar.com.

I. Risks Relating to the Gold Industry

Gold prices are volatile and there can be no assurance that a profitable market for gold will exist.

Gold prices are volatile and subject to changes resulting from a variety of factors including international economic and political trends, expectations of inflation, global and regional supply and demand and consumption patterns, stock levels maintained by producers and others, currency exchange fluctuations, inflation rates, interest rates, hedging activities and increased production due to improved mining and production methods. While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that Jaguar's properties can be mined at a profit. Some credible industry experts are predicting that gold will continue to increase in price during 2022 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis, and that as economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today.

Mining is inherently risky and subject to conditions and events beyond Jaguar's control.

Mining involves various types of risks and hazards, including:

- environmental hazards;
- unusual or unexpected geological operating conditions, such as rock bursts, structural cave-ins or slides;
- flooding, earthquakes and fires;
- labour disruptions;
- industrial accidents;
- unexpected mining dilution, such as what occurred at Turmalina in 2017;
- metallurgical and other processing problems; and/or
- metal losses and periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Jaguar may not be able to obtain insurance to cover these risks at affordable premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to Jaguar or to other companies within the mining industry. Jaguar may suffer a materially adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Calculation of Mineral Reserves and Mineral Resources and metal recovery is only an estimate, and there can be no assurance about the quantity and grade of minerals until mineral resources are actually mined.

The calculation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production are imprecise and depend on geological interpretation and statistical inferences or assumptions drawn from drilling and sampling analysis, which might prove to be unpredictable. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. Any material changes in mineral reserves, mineral resources, grade or stripping ratio at Jaguar's properties may affect the economic viability of Jaguar's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Significant uncertainty exists related to inferred mineral resources.

There is a risk that inferred mineral resources referred to in this MD&A cannot be converted into measured or indicated mineral resources. Due to the uncertainty relating to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological and grade continuity to constitute measured and indicated resources as a result of continued exploration.

II. Risks Relating to Jaguar's Business

Jaguar's operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

The proposed programs on the exploration properties in which Jaguar holds an interest are exploratory in nature and such properties do not host known bodies of commercial ore. Development of these mineral properties is contingent upon, among other things, obtaining satisfactory exploration results. Mineral exploration and development involve substantial expenses related to locating and establishing mineral reserves, developing metallurgical processes and constructing mining and processing facilities at a particular site. It also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of Jaguar's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production, or if brought into production, that it will be profitable. The discovery of mineral deposits is dependent upon a number of factors including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one of these factors, or the combination of any of these factors, may prevent Jaguar from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavourable long-term market price fluctuations in gold, or if there are significant increases in operating or capital costs. Most of the above factors are beyond Jaguar's control, and it is difficult to ensure that the exploration or development programs proposed by Jaguar will result in a profitable commercial mining operation.

Fluctuations in currency exchange rates may adversely affect Jaguar's financial position and results of operations.

Fluctuations in currency exchange rates, particularly operating costs denominated in currencies other than US dollars, may significantly impact Jaguar's financial position and results of operations. Jaguar generally sells its gold based on a US dollar price, but a major portion of Jaguar's operating expenses is incurred in non-US currencies. In addition, the appreciation of the Brazilian Real against the US dollar could further increase the dollar costs of gold production at Jaguar's mining operations in Brazil, which could materially and adversely affect Jaguar's earnings and financial condition.

Competition for new mining properties may prevent Jaguar from acquiring interests in additional properties or mining operations.

The gold mining industry is intensely competitive. Significant and increasing competition exists for gold and other mineral acquisition opportunities throughout the world. Some of the competitors are large, more established mining companies with substantial capabilities and greater financial resources, operational experience and technical capabilities than Jaguar. As a result of this competition, Jaguar may be unable to acquire rights to additional attractive mining properties on terms it considers acceptable. Increased competition could adversely affect Jaguar's ability to attract necessary capital funding or acquire an interest in additional operations that would yield mineral reserves or result in commercial mining operations.

Jaguar relies on its management and key personnel, and there is no assurance that such persons will remain at Jaguar, or that it will be able to recruit skilled individuals.

Jaguar relies heavily on its management. Jaguar does not maintain "key man" insurance. Recruiting and retaining qualified personnel is critical to Jaguar's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for the services of such persons is intense. In addition, as Jaguar's business activity grows, it may require additional key financial, administrative, technical and mining personnel. The failure to attract and/or retain such personnel to manage growth effectively could have a materially adverse effect on Jaguar's business, prospects, financial condition and results of operations.

Actual capital costs, operating costs, production and economic returns may differ significantly from those estimated by Jaguar, and there can be no assurance that any future development activities will result in profitable mining operations.

Capital and operating costs, production and economic returns, and other estimates contained in the feasibility studies for Jaguar's projects may differ significantly from those anticipated by Jaguar's current studies and estimates, and there can be no assurance that Jaguar's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction schedules may negatively impact the net present value and internal rates of return of Jaguar's mineral properties as set forth in the applicable feasibility studies.

Jaguar's cash operating costs per ounce sold and all-in sustaining costs per ounce sold¹ for the years ending December 31, 2021, 2020, and 2019 were as follows:

		2021	2020	2019
Turmalina	Cash operating costs per ounce sold	\$881	\$660	\$800
	All-in sustaining costs per ounce sold	\$1,251	\$1,109	\$1,379
Pilar	Cash operating costs per ounce sold	\$790	\$637	\$811
	All-in sustaining costs per ounce sold	\$1,031	\$858	\$1,119
Consolidated	Cash operating costs per ounce sold	\$831	\$647	\$608
	All-in sustaining costs per ounce sold	\$1,215	\$1,044	\$1,349

¹ Cash operating costs per ounce sold and all-in sustaining costs per ounce sold are non-GAAP measures with no standard definition under IFRS. Refer to the non-IFRS financial performance measures section of the Company's MD&A.

Increases in energy costs or the interruption of Jaguar's energy supply may adversely affect Jaguar's results of operations.

Jaguar's operations are energy intensive and rely upon third parties for the supply of the energy resources consumed in its operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, worldwide price levels and market conditions. Disruptions in supply or increases in costs of energy resources could have a material adverse impact on Jaguar's financial condition and the results of operations.

There can be no assurance that the interests held by Jaguar in its properties are free from defects.

Jaguar's properties may be subject to prior recorded and unrecorded agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Title insurance is generally not available for mineral properties, and Jaguar's ability to ensure that it has obtained a secure claim to individual mining properties or mining concessions may be severely constrained. Jaguar has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in Jaguar being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. No assurance can be given that Jaguar's rights will not be revoked or significantly altered to its detriment. There can also be no assurance that its rights will not be challenged or impugned by third parties.

Jaguar is exposed to risks of changing political stability and government regulation in the country in which it operates.

Jaguar holds mineral interests in Brazil that may be affected, in varying degrees, by political instability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect to Brazil. Any changes in regulations or shifts in political conditions are beyond Jaguar's control and may adversely affect its business. Jaguar's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Jaguar's operations may also be adversely affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

Jaguar is subject to additional business and financial risks inherent in doing business in Brazil.

The Company's principal operations and mineral properties are located in Brazil. There are additional business and financial risks inherent in doing business in Brazil as compared to the United States or Canada. Since 1996, Transparency International has published the Corruption Perceptions Index ("CPI"), which annually ranks countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The CPI ranks countries on a scale from 100 (very clean) to 0 (highly corrupt). In 2021, out of 180 countries in the world, Canada was ranked 13th with a CPI score of 74, the United States was ranked 27th with a CPI score of 67, and Brazil was ranked 96th with a CPI score of 38. The average score on the 2021 Corruption Perceptions Index was 43 out of 100. Anything below a score of 50 indicates governments are failing to tackle corruption and represents a challenge in those countries requiring extra attention by those who conduct business there. High profile examples of alleged corruption were reported in 2021. Beginning on October 3, 2021, the International Consortium of Investigative Journalists ("ICIJ") published another 11.9 million leaked documents with 2.9 terabytes of data. This was the second leak by ICIJ and these leaks have become known as the "Panama Papers." This leak in 2021 exposed the secret offshore accounts of 35 world leaders, including current and former presidents, prime ministers and heads of state, as well as more than 100 billionaires, celebrities and business leaders. The initial leak of the Panama Papers occurred in 2016, exposing 11.5 million confidential documents. Brazil did not escape scrutiny from the 2021 leak of the Panama Papers. One of the noteworthy names was Paulo Guedes who, while in office as Brazil's minister of economy, is alleged to have kept a company in the British Virgin Islands with almost \$10 million invested in a Credit Suisse account in New York, USA. Roberto Campos Neto, the Chairman of Brazil's Central Bank, was also featured in the 2021 release of the Panama Papers. Both deny any wrongdoing.

Corruption does not only occur with the misuse of public, government or regulatory powers; it also can occur in a business' 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 procurement fraud, theft, embezzlement and other wrongs against the Company. While corruption, bribery and fraud risks can never be fully eliminated, the Company reviews and implements controls to reduce the likelihood of these irregularities occurring. The Company utilizes an internal auditor, third-party security services and closed-circuit video surveillance at its operations in Brazil.

The ability of Jaguar to pay dividends will be dependent on the financial condition of Jaguar.

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon, among other things, Jaguar's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. Although Jaguar has paid a regular dividend for the six most recently completed quarters, there can be no assurance that it will be in a position to declare any future dividends (at the current dividend amount or at all) due to the occurrence of one or more of the risks described herein.

Jaguar is subject to significant governmental regulations.

Jaguar's mining and exploration activities are subject to extensive local laws and regulations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, who may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of such requirements, could have a materially adverse impact on Jaguar and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Jaguar's operations are subject to numerous governmental permits, which are difficult to obtain, and it may not be able to obtain or renew all of the permits it requires, or such permits may not be timely obtained or renewed.

Government approvals and permits are sometimes required in connection with Jaguar's operations. Although Jaguar believes it has all of the material approvals and permits to carry on its operations, Jaguar may require additional approvals or permits or may be required to renew existing approvals or permits from time to time. Obtaining or renewing approvals or permits can be a complex and time-consuming process. There can be no assurance that Jaguar will be able to obtain or renew the necessary approvals and permits on acceptable terms, in a timely manner, or at all. To the extent such approvals are required and not obtained, Jaguar may be delayed or prohibited from proceeding with planned exploration, development or mining of mineral properties.

Under current regulations, all exploration activities that the Company undertakes through its subsidiaries must be carried out on valid exploration licences or prospecting permits issued by the DNPM, a department of the Brazilian federal government. The DNPM is responsible for the administration of all mining and exploration licences, and prospecting permits. According to local regulations, the Company must submit a final exploration report before the expiry date of any licence or permit, which is usually three years from the date of grant. However, Brazilian mining laws and regulations are currently undergoing a major restructuring, and draft legislation to this effect has been submitted to the federal legislature for review and approval. The effects of this restructuring will, if adopted, be far-reaching in the ways that mining rights can be acquired and maintained in the country. Current proposals include an auction process for new licences, minimum expenditures designed to eliminate the "warehousing" of mining permits and licences as well as new fee schedules. They also provide for landowner participation where applicable. It is the Company's understanding, based on consultations with local counsel, that licences currently held in good standing will be grandfathered and not subject to certain requirements of the proposed new regime. Production from the Company's mines results in a 1.5% royalty fee payment to the CFEM, on the value of the ore produced. However, and as mentioned above, the Brazilian government is currently considering the adoption of new mining legislation that would include increases in the CFEM royalties.

Environmental permits are granted for one to ten-year periods and all local agencies have the right to monitor and evaluate compliance with the issued permits even though such monitoring tends to be minimal in scope and nature. Any changes to the exploration activities that result in a greater environmental impact require approval.

The work the Company carries out on its exploration licences is largely restricted to drilling and ancillary activities associated with the drilling programs (i.e., low impact road construction, drilling stations). As such, the reclamation costs in respect of drilling activities are not material to the Company and are factored into the budget for exploration programs.

Jaguar is subject to substantial environmental laws and regulations that may increase its costs and restrict its operations.

All phases of Jaguar's operations are subject to environmental regulations in the jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste and hazardous substances, protection of natural resources and reclamation of lands disturbed by mining operations. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. This is especially true following the high-profile Brumadinho dam disaster that occurred on January 25, 2019, when Dam I—a tailings dam at Vale's Córrego do Feijão iron ore mine, 9 kilometres east of Brumadinho, Minas Gerais, Brazil—suffered a catastrophic failure. Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in, or the cancellation of, Jaguar's intended activities. There can be no assurance that future changes in environmental regulation, if any, will not be materially averse to Jaguar's operations. Specifically, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a materially adverse impact on the Company, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties.

In light of tailings dam incidents in Brazil in 2015 and 2019, federal lawmakers have proposed legislation aimed at addressing risks of future tailings dam failures. While there are a variety of measures under consideration, recently approved legislation at the federal and state level includes the potential increase of financial assurance requirements, increased fines and penalties for environmental damages and/or require the Company to further address risks to residents downstream. While regulations are pending on these issues, these laws and regulations may adversely affect Jaguar's operations or increase the costs associated with those operations.

The properties in which Jaguar holds interests may contain environmental hazards, which are presently unknown to it, and which have been caused by previous or existing owners or operators of the properties. Because of this risk in 2021, Jaguar started the Management of Mined Areas procedure, a system that previews for three years the elaboration of recovery and closing plan for all properties where Jaguar developed mines before. With this plan, it will be possible to update the asset retirement obligation cost considering the potential contamination and others impacts. All these processes stayed in line with the new legislation in Brazil by the National Mining Agency (ANM) in 2021.

Land reclamation requirements for Jaguar's mining and exploration properties may be burdensome.

Land reclamation requirements are generally imposed on companies engaged in mining operations and mineral exploration activities in order to minimize long-term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on Jaguar in connection with its mining and exploration activities, Jaguar must allocate financial resources that might otherwise be spent on further exploration and development programs. If Jaguar is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Jaguar may need additional capital to accomplish its exploration and development plans or to cover its expenses and maintain adequate working capital, and there can be no assurance that financing will be available on terms acceptable to Jaguar, or at all.

Depending on gold prices and Jaguar's ability to achieve its plans and generate sufficient operating cash flow from its existing operations, the Company may require substantial additional financing to accomplish its exploration and development plans, maintain adequate working capital, or fund any non-operating expenses that may arise or become due such as interest, tax (in Canada or Brazil) or other expenses. Failure to obtain sufficient financing, or financing on terms acceptable to Jaguar, may result in a delay or indefinite postponement of exploration, development or production on any or all of Jaguar's properties or even a loss of an interest in a property, or an inability to pay any of Jaguar's non-operating expenses which could also lead to late fees or penalties, depending on the nature of the expense. The only source of funds now available to Jaguar is through production at Turmalina and Caeté, the sale of debt or equity capital, properties, royalty interests or the entering into of joint ventures or other strategic alliances in which the funding sources could become entitled to an interest in Jaguar's properties or projects. Additional financing may not be available when needed. If funding is available, the terms of such financing might not be favourable to Jaguar and might involve substantial

dilution to existing shareholders. If financing involves the issuance of debt, the terms of the agreement governing such debt could impose restrictions on Jaguar's operation of its business. Failure to raise capital when needed could have a materially adverse effect on Jaguar's business, financial condition and results of operations.

Jaguar is exposed to risks of labour disruptions and changing labour and employment regulations.

Employees of Jaguar's principal projects are unionized, and the collective bargaining agreements between Jaguar and the unions that represent these employees must be renegotiated on an annual basis. Although Jaguar believes it has good relations with its employees and with their unions, production at Jaguar's mining operations is dependent upon the continuous efforts of Jaguar's employees. In addition, relations between Jaguar and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions Jaguar carries on business. Labour disruptions or any changes in labour or employment legislation or in the relationship between Jaguar and its employees may have a materially adverse effect on Jaguar's business, results of operations and financial condition. Labour litigation in Brazil is an ongoing exposure for all companies working in Brazil, especially in the mining sector. Jaguar has a number of labour claims, and the settlement of such claims may result in significant cash outflow in future.

Substantially all of Jaguar's assets are held by foreign subsidiaries that are subject to the laws of the Federal Republic of Brazil.

Jaguar conducts operations through its wholly owned foreign subsidiary MSOL and substantially all of Jaguar's assets are held through this entity. Accordingly, any governmental limitation on the transfer of cash or other assets between Jaguar and MSOL could restrict Jaguar's ability to fund its operations efficiently. Any such limitations or the perception that such limitations may exist now or in the future could have an adverse impact on Jaguar's prospects, financial condition and results of operations.

Jaguar may be subject to litigation.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a materially adverse effect on the Company's financial position or results of operations.

Generally, the labour claims are due to disputed overtime, danger pay, wage parity, etc. Brazilian labour law is a complex system of statutes and regulations, which in general, has a favourable approach to employees of the Company. As such, corporate labour compliance is a key success factor in Brazilian-based operations to minimize the impact of labour claims. The Company had historically not been in full compliance of labour regulations, nor did it have the proper procedures in place to support labour claims defenses, which led to the bulk of the litigation provisions recorded.

Jaguar may be subject to impacts on production if the road route between the Pilar Mine and the Caeté plant cannot be used due to rain or other natural events.

Jaguar has material properties located in the state of Minas Gerais, Brazil. Typically, the state's wet season is from November to April. During the wet season, the properties and surrounding infrastructure may be subject to unpredictable weather conditions such as heavy rains, strong winds and flash flooding. Pilar is located approximately 50 km by road from the Caeté plant. Ore from Pilar is hauled to the Caeté plant. Ore haulage activities may be slowed or delayed as roads may be temporarily flooded or if the maintenance or provision of such infrastructure is impacted by other events. Any delays could adversely affect Jaguar's operations, financial condition and results of operations. Jaguar has undertaken to mitigate the potential effects of the wet season by discussing alternative routes with the neighbouring communities.

Global financial conditions may negatively impact its operations and share pricing.

Current global financial conditions have been characterized by increased volatility, particularly the markets for commodities, including gold. Access to public financing has been negatively impacted by several factors including efforts by financial institutions to deleverage their balance sheets in the face of current economic conditions. These factors may impact the ability of Jaguar to obtain equity or debt financing in the future on terms favourable to Jaguar. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than

temporary, which may result in impairment losses. If Jaguar had to idle any of its producing properties or delay development of any project, there is no assurance that it would be able to restart production or development without undue delay, if at all. If such increased levels of volatility and market turmoil continue, Jaguar's operations could be adversely impacted, and the trading price of its common shares may be adversely affected.

The trading price for Jaguar's common shares is volatile and has been, and may continue to be, greatly affected by the ongoing market volatility.

Securities of mineral exploration and early-stage base metal production companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Jaguar's common share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Jaguar's performance that may have an effect on the price of its common shares include the following: the extent of analytical coverage available to investors concerning Jaguar's business may be limited if investment banks with research capabilities do not continue to follow Jaguar's securities; the lessening in trading volume and general market interest in Jaguar's securities may affect an investor's ability to trade significant numbers of Jaguar's common shares; and the size of Jaguar's public float may limit the ability of some institutions to invest in Jaguar's securities. As a result of any of these factors, the market price of Jaguar's common shares at any given point in time may not accurately reflect Jaguar's long-term value.

Jaguar's mineral properties in Brazil operate in an emerging market and are subject to political, economic, social and geographic risks of doing business in Brazil.

The Company's mining and development properties in Brazil expose the Company to the socioeconomic conditions in Brazil, as well as to the laws governing the mining industry in the country. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation, changes in monetary and exchange policies, changes in interest rates, decreased liquidity in the domestic capital and lending markets, energy shortages, military repression, war or civil war, social and labour unrest, organized crime, hostage taking, terrorism, violent crime, extreme fluctuations in currency exchange rates, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from a particular jurisdiction.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in governmental laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Company's exploration, development and production initiatives in Brazil.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant changes in policies and regulations. Changes, if any, in mining or investment policies or shifts in political attitude in Brazil or any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation may contribute to economic uncertainty in Brazil. Historically, Brazilian politics have affected the performance of the Brazilian economy. Past political crises have affected the confidence of investors and the public, generally resulting in an economic slowdown.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Brazil. Such events could materially and adversely affect the Company's business, financial condition and results of operations.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, results of operations and financial position.

Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Company's financial condition and results of operations.

In the past, high levels of inflation have adversely affected the economies and financial markets of Brazil, and the ability of its government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation in Brazil and have created general economic uncertainty. As part of these measures, the Brazilian government has at times maintained a restrictive monetary policy and high interest rates that have limited the availability of credit and economic growth. Brazil may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in Brazil and lead to further government intervention in the economy, including interest rate increases, restrictions on tariff adjustments to offset inflation, intervention in foreign exchange markets and actions to adjust or fix currency values, which may trigger or exacerbate increases in inflation, and consequently have an adverse impact on the Company. In an inflationary environment, the value of uncollected accounts receivable, as well as of unpaid accounts payable, declines rapidly. If Brazil experiences high levels of inflation in the future and price controls are imposed, the Company may not be able to adjust the rates the Company charges the Company's customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's results of operations or financial condition.

Corruption and fraud in Brazil relating to ownership of real estate.

Under Brazilian law, real property ownership is normally transferred by means of a transfer deed, and subsequently registered at the appropriate real estate registry office under the corresponding real property record. There are uncertainties, corruption and fraud relating to title ownership of real estate in Brazil, mostly in rural areas. In certain cases, a real estate registry office may register deeds with errors, including duplicate and/or fraudulent entries, and, therefore, deed challenges frequently occur, leading to judicial actions. Property disputes over title ownership are frequent in Brazil, and, as a result, there is a risk that errors, fraud or challenges could adversely affect the Company's ability to operate, although ownership of mining rights are separate from ownership of land.

Repatriation of Earnings.

There is no assurance that any countries in which the Company carries on business, or may carry on business in the future, will not impose restrictions on the repatriation of earnings to foreign entities.

Termination of mining concessions.

The Company's mining concessions may be terminated in certain circumstances. Under the laws of Brazil, Mineral Resources belong to the federal government and governmental concessions are required to explore for, and exploit, Mineral Reserves. The Company will hold mining, exploration and other related concessions in each of the jurisdictions where the Company operates and where it will carry on development projects and prospects. The concessions the Company will hold in respect to its operations, development projects and prospects may be terminated under certain circumstances. Termination of any one or more of the Company's mining, exploration or other concessions could have a material adverse effect on the Company's financial condition or results of operations.

Compliance with anti-corruption laws.

The Company's operations are governed by, and involve interaction with, many levels of government in Brazil. The Company is subject to various anti-corruption laws and regulations, such as the Canadian Corruption of Foreign Public Officials Act, which prohibits a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In addition, the Extractive Sector Transparency Measures Act recently introduced by the Canadian government contributes to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. According to Transparency International, Brazil is perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such anti-corruption and anti-bribery laws, resulting in greater scrutiny and punishment of companies found in violation of such laws. Failure to comply with the applicable anti-corruption laws and regulations could expose the Company and its senior management to civil or criminal penalties or other sanctions, which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, reputation, financial condition and results of operations. Although the Company has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Company, its employees or third-party agents will comply with such laws.

Reliance on local advisors and consultants in foreign jurisdictions.

The Company holds mining and exploration properties in Brazil. The legal and regulatory requirements in Brazil with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada and the United States. The officers and directors of the Company must rely, to a great extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in these countries. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement.

The Company's Audit and Risk Committee actively oversees the monitoring of any identified deficiencies and weaknesses in internal controls, as well as the risks they create for the Company. The Audit and Risk Committee, and more generally the Board, oversee the timely remediation of any weaknesses and, in the interim, the mitigation of the related risks. In consultation with the Company's internal auditors, as well as the Board, the Audit and Risk Committee monitors and evaluates, among other things, the following on an ongoing basis: (i) the effectiveness of internal controls; (ii) the materiality of, and potential risks that may arise from, any deficiencies or weaknesses in internal controls; (iii) how any such deficiencies and weaknesses can be remediated; (iv) management's plan and timeframe for any such remediation; (v) the status of any ongoing remediation plans of the Company; and (vi) whether any interim measures should be adopted prior to the completion of any remediation.

The Company has invested resources to document and assess its system of internal control over financial reporting and undertakes an evaluation process of such internal controls. Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation.

The Company currently believes that no material weakness exists in regards to its internal controls for financial reporting that result in a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis. However, if the Company fails to maintain the adequacy of its internal control over financial reporting, as either the Company's or the applicable regulatory standards are modified, supplemented, or amended from time to time, then the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. If in the future the Company is required to disclose a material weakness in its internal controls over financial reporting, then this could result in the loss of investor confidence in the reliability of the Company's financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

Jaguar may be subject to community relations and social licence to operate issues or involvement from Non-Governmental Organizations (NGOs).

Jaguar mines in a peri-urban environment adjacent to communities surrounded by lands used for agriculture, residence, and other industry. Jaguar has no significant community relations issues at present. However, ore from Pilar is trucked to the Caeté site for processing which passes through one or two towns depending on the route. Jaguar has maintained good community relations with the neighbouring communities and city councils to date. Relations between Jaguar and its local communities may be affected by elections changing the relevant governmental authorities in whose jurisdictions Jaguar carries on business, by local community dissatisfaction with our operations, or by involvement of an NGO opposed to mining. Community disruptions, changes in the relationship between Jaguar and the communities wherein it operates, or new involvement by NGOs opposed to mining, may have a material adverse effect on Jaguar's business, which could result in changes in operational and financial conditions. Social licence to operate in Brazil is an ongoing exposure for all companies working in Brazil, especially in the mining sector.

Jaguar may be negatively affected by an outbreak of infectious disease or pandemic

An outbreak of infectious disease, pandemic or a similar public health threat, such as the COVID-19 outbreak, and the response thereto, could adversely impact the Company, both operationally and financially. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where the Company operates. Labour shortages due to illness, Company or government-imposed isolation programs, restrictions on the movement of personnel or possible supply chain disruptions could result in a reduction or interruption of the Company's operations, including mine shutdowns or suspensions. The inability to transport and/or refine and process the Company's products could have a materially adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. As efforts are undertaken to slow the spread of the COVID-19 virus, the operation and development of mining projects may be impacted. To date, a number of mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties of Jaguar, or in which Jaguar holds a royalty, stream or other interest, is suspended or the development is delayed for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19, it may have a materially adverse impact on Jaguar's profitability, results of operations, financial condition and the trading price of Jaguar's securities.

The adverse effects described above could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans for 2022 and beyond. Fiscal 2021 was particularly challenging for both the people of Brazil and for the Company. In June 2021, new infections reached a record number for COVID-19 cases recorded in a single day in Brazil. As at the end of the fourth quarter of 2021, 396 of the Company's approximately 1430 employees and contractors had either contracted the coronavirus, been in quarantine or otherwise been sidelined for health-related risk factors relating to COVID-19 for varying amounts of time, since the onset of the pandemic. Our operating divisions have been the hardest hit where the loss of skilled drillers and mechanics materially impacted productivity. The temporary reduction of expertise and staff, combined with the continuous reconfiguration of our operating teams and inability for movement of technical resources between mines, significantly impacted the Company's performance in 2021. The spread of the Omicron variant in late 2021 and early 2022 continues to adversely impact the workforce levels and operations of the Company. The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of Jaguar's stock price.

The growing emergence of COVID-19 variants of concern that are more transmissible and carry increased health risks threaten another surge in cases and hospitalizations, which may lead to the adoption of new emergency measures. Disruptions caused by the imposition of these emergency measures may negatively impact the Company's operations. At the same time, the continued spread of COVID-19 may negatively impact, among other things: the health and well-being of our personnel, local communities, social unrest and the Company's ability to raise capital (which, in turn, could materially impact its business strategy) and to declare and pay dividends. Additionally, currency exchange rates have been volatile over the past year and the outlook for currencies remains difficult to anticipate given varying economic responses to the COVID-19 pandemic. Currently, Brazil has the world's second highest death toll relating to COVID-19 behind the United States.

The uncertainty caused by the COVID-19 pandemic has tested many businesses' risk frameworks. In response to the pandemic, Jaguar has: increased communication internally and externally; closely monitored the actual and potential impacts of COVID-19 on the Company's operations; regularly engaged with the Board to monitor the ever-changing risk landscape in light of the pandemic; and implemented precautionary measures at its corporate offices, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing. While the Company continued utilizing its COVID-19 Action Plan, the operations have adapted to the safety rules and restrictions, and absenteeism has reduced to manageable levels. As of March 21, 2022, 97% of the Jaguar workforce had been partially or fully vaccinated.

Jaguar's management will continue to monitor the situation regarding COVID-19 and may take actions that alter Jaguar's business operations as may be required by federal, provincial or local authorities, or that management determines are in the best interests of Jaguar's employees, customers, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to Jaguar's business, any of which could have a materially adverse effect on, among other things, Jaguar's operations or financial results. The extent to which COVID-19 and any other pandemic or public health crisis impacts Jaguar's business, affairs, operations, financial condition (including Jaguar's ability to raise funds), liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the effectiveness, acceptance and availability of vaccines, as well as the duration of associated immunity and efficacy of the vaccines against emerging variants of COVID-19, which may prolong the impacts of COVID-19 on the United States, Canadian and Brazilian economies, the mining industry and Jaguar (including its workforce).

Even after the COVID-19 pandemic has subsided, Jaguar may continue to experience adverse impacts to its business as a result of the pandemic's global economic impact, including any related recession, as well as lingering impacts on Jaguar's workforce, suppliers and third-party service providers.

Climate change-related risks.

The Company and the broader mining industry can face geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as seismic activity, severe weather and considerable rainfall, which may lead to periodic floods, mudslides and embankment instability, which could potentially result in, among other things, slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts including financial liability, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a materially adverse effect on the Company's results of operations and financial position.

Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to and/or recover from an event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at the Company's operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. The Company can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

In addition, as climate change is increasingly perceived as a broad societal and community concern, stakeholders may increase demands for emissions reductions and call upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations. The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires Management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Certain estimates, such as those related to the valuation of mineral exploration projects and royalty assets, recoverability of property plant and equipment, reclamation provisions, derivatives, measurement of inventory and disclosure of contingent assets and liabilities depend on subjective or complex judgments about matters that may be uncertain. Changes in those estimates could materially impact the Company's condensed interim consolidated financial statements.

The critical accounting estimates, judgments, and assumptions applied in the preparation of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022, are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2021. For details of these estimates, judgments, and assumptions, please refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2021, which are available on the Company's website and on SEDAR.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to permit timely decisions regarding public disclosure.

The Company's Management, including the CEO and CFO, has as at March 31, 2022, designed Disclosure Controls and Procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made known to them by others, particularly during the period in which the interim filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of consolidated financial statements in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS as issued by the IASB;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the consolidated financial statements.

There have been no changes in the Company's internal control over financial reporting during the three months ending March 31, 2022, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's Management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. This forward-looking information includes, but is not limited to, statements concerning the Company's future objectives, Measured and Indicated Mineral Resources, Proven and Probable Mineral Reserves, their average grade, the commencement period of production, cash operating costs per ounce and completion dates of feasibility studies, gold production and sales targets, capital expenditure costs, future profitability and growth in mineral reserves. Forward-looking information can be identified by the use of words such as "are expected," "is forecast," "is targeted," "approximately," "plans," "anticipates," "projects," "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. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating gold prices and monetary exchange rates, the possibility of project delays and cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to production rates, timing of production and the cash and total costs of production, changes in applicable laws including laws related to mining development, environmental protection, and the protection of the health and safety of mine workers, the availability of labour and equipment, the possibility of civil insurrection, labour strikes and work stoppages, changes in general economic conditions and the declaration, timing, amount and payment of potential future dividends. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.

This forward-looking information represents the Company's views as of the date of this MD&A. The Company anticipates that subsequent events and developments may cause the Company's views to change. The Company does not undertake to update any forward-looking information, either written or oral, that may be made from time to time by, or on behalf of the Company, subsequent to the date of this discussion, other than as required by law. For a discussion of important factors affecting the Company, including fluctuations in the price of gold and exchange rates, uncertainty in the calculation of mineral resources, competition, uncertainty concerning geological conditions and governmental regulations and assumptions underlying the Company's forward-looking information, see "CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS" and "RISK FACTORS" in the Company's Annual Information Form for the year ended December 31, 2021, that can be accessed under the profile of Jaguar Mining Inc. on SEDAR at www.sedar.com. Further information about the Company is available on its corporate website at www.jaguarmining.com.