



## NEWS RELEASE

November 9, 2020  
FOR IMMEDIATE RELEASE

TSX: JAG

### Jaguar Mining Reports Strong Third Quarter 2020 Financial Results

**Gross Profit Increased to \$25.8M, AISC Decreased 27% to \$1,011/oz Au  
Free Cash Flow of \$14.9M, \$39M Treasury  
Board Announces Quarterly Dividend of C\$0.08 per share**

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**Toronto, November 9, 2020 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG)** today announced financial and operating results for the three months ("Q3 2020") and nine months ended September 30, 2020. All figures are in US Dollars, unless otherwise expressed.

#### Q3 2020 Operating Results Summary

- Consolidated gold production increased 25% with 24,094 ounces produced (192,000 tonnes milled, average grade of 4.40 g/t) compared to 19,324 ounces produced in Q3 2019.
- Pilar production increased 24% with 13,724 ounces produced compared to 11,044 ounces produced in Q3 2019. Turmalina production increased 25% to 10,370 ounces compared to 8,280 ounces produced in Q3 2019.
- Primary development increased 36% to 2,068 meters compared to 1,516 meters completed in Q3 2019.
- Sustaining capital expenditures of \$7 million invested in mining equipment and development.
- Jaguar started ramping up exploration programs in Q3, 2020 with \$1.1 million capitalized exploration and \$0.4 million expensed exploration.

#### Q3 2020 Financial Results Summary

- Gross profit increased 355% to \$25.8 million compared to \$5.7 million in Q3 2019, reflecting higher production quarter-over-quarter, and an increase in the average realized gold price.
- Cash operating costs decreased 23% to \$614 per ounce sold for Q3 2020, compared to \$798 during Q3 2019.
- All-in sustaining costs ("AISC") decreased 27% to \$1,011 per ounce sold in Q3 2020, compared to \$1,389 during Q3 2019.
- Operating cash flow of \$21.9 million; adjusted EBITDA of \$26.1 million.
- Net income of \$16.5 million, or net income per share of \$0.23.
- Free cash flow was \$14.9 million for Q3 2020 compared to negative \$3.2 million in Q3 2019. Cash used in financing activities was \$6.5 million including dividend payment, share buy back and repayment of debt.
- Board announces quarterly dividend of C\$0.08 per share.
- Strong treasury on September 30, 2020, with cash of \$39 million compared to \$30.2 million on June 30, 2020.

Vern Baker, President and CEO of Jaguar Mining stated: *“These strong third quarter results continue to reflect our steady progression to reach our goal of sustainable production of 25,000 ounces per quarter. The financials reflect both improving production performance and strong tailwinds in the form of a weaker Brazilian Real and improving prices for gold. We are pleased to report that this is now our fifth quarter in a row with increased production. All the members of our Brazilian team of miners have demonstrated a commitment to navigating our company through the current COVID-19 pandemic and building a sustainable organization.*

*COVID-19 remains our key risk in terms of maintaining momentum. Cases in Brazil have been on the increase and earlier this quarter our team reported its first cases with our people. However, our team has remained resilient, and our COVID-19 contingency operating plans have proven effective as evidenced by our continued increasing production. Currently we have no active cases of COVID-19.*

*Vern added, “We are pleased to report that Pilar Mine reached a new production record for the quarter with 13,724 ounces produced. Turmalina Mine production continues to improve, and this quarter we reported a 3% increase from the prior quarter with 10,370 ounces produced, with development rates at Turmalina sufficient to augment production going forward.*

*The company is also pleased with the acceleration of our exploration plans. In the third quarter our exploration team has successfully begun implementing significant drilling programs on our properties.”*

Jeff Kennedy, Chairman of Jaguar Mining stated regarding the quarterly dividend: *“Given our continued progress to sustainable production and the dedication and hard work of our management and employees through the COVID-19 pandemic we are pleased to provide continued returns to our shareholders through a continuation of our quarterly dividend established last quarter.”*

## Q3 2020 Financial Results

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<b>Financial Data</b>				
Revenue	\$ 43,494	\$ 22,999	\$ 116,831	\$ 68,338
Operating costs	14,089	13,906	43,025	43,152
Depreciation	3,640	3,425	11,288	10,533
Gross profit	25,765	5,668	62,518	14,653
Net income (loss)	16,534	1,141	47,985	(2,835)
Per share ("EPS")	0.23	0.00	0.66	(0.01)
EBITDA <sup>1</sup>	25,820	5,528	71,394	10,761
Adjusted EBITDA <sup>1,2</sup>	26,107	5,646	67,371	15,551
Adjusted EBITDA per share <sup>1</sup>	0.36	0.01	0.93	0.02
Cash operating costs (per ounce sold) <sup>1</sup>	614	798	628	817
All-in sustaining costs (per ounce sold) <sup>1</sup>	1,011	1,389	991	1,393
Average realized gold price (per ounce) <sup>1</sup>	1,896	1,320	1,704	1,293
Cash generated from operating activities	21,919	4,676	58,058	14,704
Free cash flow <sup>1</sup>	14,927	(3,189)	38,445	(8,630)
Free cash flow (per ounce sold) <sup>1</sup>	651	(183)	561	(163)
Sustaining capital expenditures <sup>1</sup>	6,992	7,865	19,613	23,334
Non-sustaining capital expenditures <sup>1</sup>	1,916	772	3,485	1,205
Total capital expenditures	8,908	8,637	23,098	24,539

<sup>1</sup> 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-IFRS financial performance measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A.

<sup>2</sup> Adjusted EBITDA excludes non-cash items such as impairment and write downs. For more details refer to the Non-IFRS Performance Measures section of the MD&A.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<b>Operating Data</b>				
Gold produced (ounces)	24,094	19,324	68,585	54,055
Gold sold (ounces)	22,935	17,417	68,545	52,836
Primary development (metres)	2,068	1,516	5,214	3,987
Secondary development (metres)	633	1,011	1,974	2,341
Definition, infill, and exploration drilling (metres)	18,055	7,842	46,876	22,705

## Cash Position and Use of Funds

- Strong treasury as of September 30, 2020, with cash of \$39 million compared to cash of \$30.2 million on June 30, 2020. Bank debt of \$0.5 million was also paid down and \$0.5 million of common shares were bought back through the Normal Course Issuer Bid program. The Company also paid a dividend of \$4.4 million during Q3 2020.
- As at September 30, 2020, working capital was \$30.7 million, compared to \$9.4 million as at December 31, 2019, which includes \$3 million in loans from Brazilian banks.

### **Q3 2020 Quarterly Dividend**

The Company is also pleased to announce that its Board of Directors has declared a cash dividend of C\$0.08 per common share of the Company, to be paid on December 7, 2020 to shareholders of record as of the close of business on November 16, 2020. This is the same amount as paid in the previous quarter. 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. The declaration, timing, amount and payment of any future dividends remain at the discretion of the Board of Directors.

### **Qualified Persons**

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

### **The Iron Quadrangle**

The Iron Quadrangle has been an area of mineral exploration dating back to the 16th century. The discovery in 1699–1701 of gold contaminated with iron and platinum-group metals in the southeastern corner of the Iron Quadrangle gave rise to the name of the town Ouro Preto (Black Gold). The Iron Quadrangle contains world-class multi-million-ounce gold deposits such as Morro Velho, Cuiabá, and São Bento. Jaguar holds the second largest gold land position in the Iron Quadrangle with just over 25,000 hectares.

### **About Jaguar Mining Inc.**

Jaguar Mining Inc. is a Canadian-listed junior gold mining, development, and exploration company operating in Brazil with three gold mining complexes and a large land package with significant upside exploration potential from mineral claims covering an area of approximately 64,000 hectares. The Company's principal operating assets are located in the Iron Quadrangle, a prolific greenstone belt in the state of Minas Gerais and include the Turmalina Gold Mine Complex and Caeté Mining Complex (Pilar and Roça Grande Mines, and Caeté Plant). The Company also owns the Paciência Gold Mine Complex, which has been on care and maintenance since 2012. The Roça Grande Mine has been on temporary care and maintenance since April 2019. Additional information is available on the Company's website at [www.jaguarmining.com](http://www.jaguarmining.com).

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## Forward-Looking Statements

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

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

## Non-IFRS Measures

This news release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Readers are cautioned to review the below stated footnotes where the Company expands on its use of non-IFRS measures.

1. Cash operating costs and cash operating cost per ounce are non-IFRS measures. In the gold mining industry, cash operating costs and cash operating costs per ounce are common performance measures but do not have any standardized meaning.

Cash operating costs are derived from amounts included in the Consolidated Statements of Comprehensive Income (Loss) and include mine-site operating costs such as mining, processing and administration, as well as royalty expenses, but exclude depreciation, depletion, share-based payment expenses, and reclamation costs. Cash operating costs per ounce are based on ounces produced and are calculated by dividing cash operating costs by commercial gold ounces produced; US\$ cash operating costs per ounce produced are derived from the cash operating costs per ounce produced translated using the average Brazilian Central Bank R\$/US\$ exchange rate. The Company discloses cash operating costs and cash operating costs per ounce, as it believes those measures provide valuable assistance to investors and analysts in evaluating the Company's operational performance and ability to generate cash flow. The most directly comparable measure prepared in accordance with IFRS is total production costs. A reconciliation of cash operating costs per ounce to total production costs for the most recent reporting period, the quarter ended September 30, 2020, is set out in the Company's third quarter 2020 Management Discussion and Analysis (MD&A) filed on SEDAR at [www.sedar.com](http://www.sedar.com).

2. All-in sustaining cost is a non-IFRS measure. This measure is intended to assist readers in evaluating the total costs of producing gold from current operations. While there is no standardized meaning across the industry for this measure, except for non-cash items the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance note dated June 27, 2013. The Company defines all-in sustaining cost as the sum of production costs, sustaining capital (capital required to maintain current operations at existing levels), corporate general and administrative expenses, and in-mine exploration expenses. All-in sustaining cost excludes growth capital, reclamation cost accretion related to current operations, interest and other financing costs, and taxes. A reconciliation of all-in sustaining cost to total production costs for the most recent reporting period, the quarter ended September 30, 2020, is set out in the Company's third quarter 2020 MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com).