

CHARTER



CHARTER OF THE COMPENSATION COMMITTEE

Adopted by the Compensation Committee

November 7, 2006

Amended by the Compensation Committee

July 16, 2007



Purpose of the Committee

The Compensation Committee (the "Committee" is appointed by the Board of Directors (the "Board") of Jaguar Mining Inc. (the "Company") to establish, administer and evaluate the compensation philosophy, policies and plans for non-employee directors and executive officers, to make recommendations to the Board regarding director and executive compensation, to review the performance and determine the compensation of the directors and executive officers and to produce an annual report on executive officer compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

A. Duties

The Committee shall provide guidance, oversight and monitoring for all director and executive compensation and benefit policies and programs and management objectives setting and succession planning. In carrying out its purposes, the Committee shall have the duty, responsibility and authority to:

1. Establish and periodically review the Company's executive and director compensation philosophy and strategies and the specific plans and policies adopted to implement the strategies to ensure that such philosophy, strategies plans and policies are market competitive and reflect current market practice;
2. Review peer group and other mining industry compensation data reported through surveys and other sources;
3. Make recommendations to the Board with respect to the design of the Company's incentive compensation plans and equity participation plans, oversee generally the administration of those plans, and discharge any responsibilities imposed on the Committee by any of those plans, including the grant of awards thereunder;
4. Annually review and recommend the compensation of all directors, including equity-based plans taking into consideration the directors' responsibilities, the Company's performance and the compensation of directors at comparable companies;
5. Review and recommend the terms of any employment agreements, severance arrangements and change of control agreements/provisions with, and any special or supplemental benefits provided to, executive officers;
6. Annually review and agree upon corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, recommend approval of such goals and objectives to the Board and conduct an evaluation of the CEO's performance consistently with approved goals and objectives;
7. Make recommendations to the Board with respect to CEO compensation, taking into consideration the Committee's evaluation and the Board's assessment of the CEO's



performance, the Company's performance and relative shareholder return, the compensation of chief executive officers at comparable companies, the awards given to the CEO in past years and other factors it deems appropriate;

8. Annually review and agree upon the corporate and individual goals and objectives with respect to the Company's other executive officers and establish performance criteria for incentive compensation plans;

9. Consult with the CEO with respect to the compensation of the Company's other executive officers, taking into account corporate and individual performance, comparable compensation paid to similarly-situated officers in comparable companies, as well as any special considerations;

10. Provide oversight of management's decisions concerning the appointment, promotion, performance and compensation of the company's non-executive officers and recommend annual salary adjustments and benefits for such officers;

11. Execute in its sole discretion the powers and duties vested in it by the terms of any corporate qualified or nonqualified pension, profit-sharing, savings plan, deferred compensation plan or stock ownership plan affecting employees of the Company or any of its subsidiaries, including an annual review of the operations of the Company's qualified pension and savings plans;

12. Produce an annual report of the Committee on executive compensation for inclusion in the Company's annual management information circular in accordance with all applicable securities regulatory authorities, including the Canadian Securities Administrators (the "CSA");

13. Develop and oversee a succession plan for the position of CEO, if applicable, and advise and assist the CEO in formulating and implementing programs to facilitate the selection and development of other key managers;

14. Report to the Board on a regular basis with such recommendations and other matters as the Committee may deem appropriate, so that the Board is informed of the Committee's activities;

15. Conduct an annual evaluation of the adequacy of this Charter and recommend any proposed amendments to the Board for approval;

16. Prepare an annual report on executive compensation for inclusion in the Company's annual management information circular and any other relevant filings;

17. Annually evaluate the Committee's performance; and

18. Perform such functions as may be assigned to it from time to time by the Board or as may be required by applicable rules or regulations.



B. General Authority

1. The Committee shall have the resources and authority it deems necessary and appropriate to discharge its responsibilities, at the Company's expense, including, with prior approval of the Board in all cases, authority to select and retain legal, accounting, compensation, benefits, search firm or other consultants or experts, to approve the fees and other retention terms related to the appointment of such consultants or experts, and to terminate the services of any such consultants or experts with respect to compensation matters.
2. The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by officers and employees of the Company, whom such member believes to be reliable and competent in the matters presented and on counsel, compensation consultants or other persons as to matters which the member believes to be within the professional competence of such person.
3. Except as limited by law, or applicable securities rules and regulations, the Committee may form and delegate authority to subcommittees as it deems appropriate. The Committee may delegate its authority to the CEO consistently with Section 133 of the Business Corporations Act (Ontario) except that the Committee will not delegate its authority with respect to compensation matters involving any specified executive officer. The Chairman of the Committee is authorized to approve compensation actions for executive officers when such approval is needed to process employment offers between Committee or Board meetings. For purposes of this Charter, "specified executive officers" shall include any officer of the Company who is designated as a specified executive officer by the Board or the Committee for purposes of this Charter.
4. The Committee shall have the power to call upon assistance from officers and employees of the Company and outside counsel and other advisers.
5. The Committee shall make decisions regarding compensation in a manner that is consistent with an executive officer's employment agreement, if applicable.
6. The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.
7. The Committee shall have unrestricted access to the books and records of the Company and has the authority to communicate directly with outside counsel for the Company.
8. The Committee may fulfill additional duties as determined by the Board and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions.



9. The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

10. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part I of this Charter.

11. The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

C. Composition and Meetings

1. The Committee shall be composed of two or more directors that are not executive officers of the Company as shall be designated by the Board from time to time and shall serve until their successors are duly elected and qualified or until their earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board. The Board shall appoint from among the Committee members a member who shall serve as Chair.

2. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange ("TSX"), the Business Corporations Act (Ontario) and all applicable securities regulatory authorities, including the CSA.

3. The Committee shall have the power to adopt its own operating rules and procedures, without the consent of management, which are not inconsistent with: (i) any provision of this Charter; (ii) any provision of the Articles and By-laws of the Company; (iii) the Business Corporations Act (Ontario); and (iv) other applicable laws.

4. The Committee shall meet at least twice per year, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

6. The time and place at which meetings of the Committee shall be held shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

7. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in



a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

8. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings. The agenda for each meeting will provide time during which the Committee can meet separately in executive session.

9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting. The Committee may also report to the Board on a regular basis with such recommendations and other matters as the Committee may deem appropriate, so that the Board is informed of the Committee's activities.

10. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.

11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.