



NEWS RELEASE

August 12, 2020
FOR IMMEDIATE RELEASE

TSX: JAG

Jaguar Mining Announces Quarterly Dividend and Decision to Proceed with a Share Consolidation

- *Board of Directors declares a quarterly cash dividend on common shares*
- *Jaguar intends to consolidate its common shares on a 1 for 10 basis*

Toronto, August 12, 2020 – Jaguar Mining Inc. ("Jaguar" or the "Company") (TSX: JAG) is pleased to announce that its Board of Directors has declared a dividend of C\$0.08 per common share of the Company (a "Share") on a post-Consolidation (as hereinafter defined) basis, payable to shareholders of record at the close of business on the date that is five trading days after the Effective Date (as hereinafter defined) of the Consolidation. Jaguar will make a further announcement to confirm the record date and payable date of the dividend following the completion of the Consolidation.

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. The dividend is designated as an eligible dividend for Canadian income tax purposes.

Jeff Kennedy, Chairman and Director of the Company, stated, "The declaration of a dividend and the concurrent announcement of a share consolidation represent an important milestone for Jaguar as we believe it will create greater exposure for the Company and attract an expanded and diverse group of new institutional and retail investors in the United States, Canada and abroad. The payment of this quarterly dividend also reflects the strong confidence we have in the expected future operating and financial performance of the Company and its mineral properties including the needs of our exploration team in providing for future growth."

The aggregate dollar amount of the dividend contemplated hereby will be paid by the Corporation irrespective of whether the Consolidation is completed.

Announcement of Share Consolidation

The Company also announces that, as previously authorized by its shareholders at the Company's annual general and special meeting of shareholders held on June 5, 2017 and following a determination by its Board of Directors, the Company intends to file articles of amendment implementing a consolidation of its outstanding Shares (the "Consolidation") on the basis of one (1) post-Consolidation Share for every ten (10) pre-Consolidation Shares. On July 17, 2020, the Toronto Stock Exchange (the "TSX") provided the Company with the TSX's conditional approval to proceed with the Consolidation. The Company currently anticipates that, subject to the receipt of all required and final approvals, the Shares will commence trading on the TSX on a post-Consolidation basis under its new CUSIP number 47009M889 (ISINCA47009M8896) beginning at the open of markets on or about August 27, 2020 (the "Effective Date").

It is anticipated that upon completion of the Consolidation, the number of Shares issued and outstanding will be consolidated from 723,502,108 to approximately 72,350,197 on a non-diluted basis, and each shareholder will hold the same percentage of Shares outstanding immediately after the Consolidation as such shareholder held immediately prior to the Consolidation. The exact number of Shares outstanding after the Consolidation will vary based on the elimination of fractional shares. No fractional Shares will be issued in connection with the Consolidation. Rather, all fractions of post-Consolidation Shares will be rounded down to the nearest whole number.

The Consolidation is expected to affect shareholders uniformly, including holders of outstanding securities

convertible or exercisable for Shares on the Effective Date, except for minor changes or adjustments resulting from the treatment of fractional shares. On the Effective Date, the exercise prices and the number of Shares issuable upon the exercise or deemed exercise of any warrants, options, deferred share units or other convertible or exchangeable securities of the Company will be automatically proportionately adjusted based on the consolidation ratio to reflect the Consolidation.

The Company believes that the Consolidation may have the effect of, among other things: bolstering the interest of the financial community in the Company and potentially broadening its pool of investors and eligible stock exchanges; improving trading liquidity; and reducing trading commissions and other transaction costs for shareholders.

A letter of transmittal regarding the Consolidation will be mailed to the Company's registered shareholders. All registered shareholders will be required to send their certificate(s) representing pre-Consolidation Shares, along with a properly executed letter of transmittal, to the Company's registrar and transfer agent, TSX Trust Company, in accordance with the instructions provided in the letter of transmittal. Shareholders who hold their Shares through a broker, investment dealer, bank or trust company should contact that nominee or intermediary for their post-Consolidation positions. Until surrendered, each share certificate representing pre-Consolidation Shares will represent the number of whole post-Consolidation Shares to which the holder is entitled as a result of the Consolidation. A copy of the letter of transmittal is posted on the Company's issuer profile on SEDAR at www.sedar.com.

The Company's name and trading symbol will remain unchanged on the TSX as a consequence of the Consolidation, which remains subject to the TSX's final approval.

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.

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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, the timing, completion and potential benefits of the Consolidation, as well as its potential impact on the Company's shareholder and investor base,

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 set forth in the AIF and the Company's most recent 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. 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.

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.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.