

# **Jaguar Mining Reports Third Quarter 2018 Financial Results and Announces Changes to Board of Directors**

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TSX: JAG

TORONTO, Nov. 14, 2018 - [Jaguar Mining Inc.](#) ("Jaguar" or the "Company") (TSX: JAG) today announced financial results for the third quarter ("Q3 2018") and nine months ("9M 2018") ended September 30, 2018. The Company also announces Richard Falconer has stepped down as Chairman of the Board and Thomas Weng, current Director, has been named Chairman. Mr. Falconer will continue to serve on the Board at least until the Company's Annual General Meeting in 2019.

Q3 2018 Financial Highlights (All figures are in US dollars, unless otherwise expressed)

- Gold production of 20,320 ounces on record production at Pilar Gold Mine ("Pilar") and higher feed grades;
- Lower costs and increase in production quarter over quarter drive 90% increase in gross profit to \$7.7 million;
- Consolidated cash operating costs ("COC") reduced by 22% to \$627 per ounce of gold sold. Pilar achieves record low costs of \$557 per ounce sold;
- Consolidated all-in sustaining costs ("AISC") improved 2.2% to \$1,142 per ounce of gold;
- Net income of \$2.2 million, or \$0.01 earnings per share, from a Net loss of \$7.7 million or net loss per share of (\$0.08) year-over-year.

9M 2018 Financial Highlights

- Gold production of 58,004 ounces, including record year to date gold production at Pilar;
- COC of \$713 per ounce, in line with full-year 2018 guidance, and 18% lower than 9M 2017;
- AISC of \$1,233 per ounce, 1.3% improvement from 9M 2017;
- Operating cash flow increases 67% to \$16 million; adjusted EBITDA increased 41% to \$19.8 million;
- Net loss of \$0.9 million reduced from a net loss of \$18.9 million in 9M 2017;
- Sustaining capital expenditures increased 41% to \$21.5 million investing in development and mining equipment.

Ben Guenther, Interim President and Chief Executive Officer commented, "Third quarter gold production of 20,320 ounces represents an 8% improvement relative to the first and second quarters in 2018. Pilar and Turmalina achieved their best production of the year with Pilar producing a new quarterly record 11,068 ounces followed by Turmalina producing more than 9,000 ounces. The Company continues to advance on its exciting growth path, while Turmalina has begun its turnaround. We remain pleased with the performance demonstrated at Pilar to date in 2018 and we are encouraged to see its grade profile continue to increase contributing to the record low costs. The Turmalina team is new and we expect it to take a few quarters of stabilization to achieve significant sustainable improvements. In addition to our new VP of Operations, Turmalina has further strengthened its team with a new General Manager, new Managers of Mining, Technical Services, and Maintenance personnel over the past few months. The progress we have made to reduce company-wide expenses has been key to ensuring we continue to generate operating cash flow. Cost reduction remains a top priority within operations and at the corporate and board level."

Richard Falconer, Director, Jaguar Mining commented: "I have decided to retire as Chairman and continue to serve on the Board until the next AGM. I appreciate Thomas Weng stepping in as Jaguar's new Chairman. With his leadership and deep expertise in the mining industry, I am confident in the outlook for the Company that he has gained during his tenure as a Jaguar Board member, I am confident in the outlook for the Company's forward to its return to future growth and success."

Thomas Weng, Chairman of the Board of Directors commented: "On behalf of the Board, we thank Richard for his service and contributions to Jaguar's Board of Directors over the past six years."

Thomas continued, "Jaguar is positioning itself to return to a more sustainable and growing gold production profile to create value for our shareholders. Our operating and management teams have identified key issues and are executing initiatives to improve performance while also taking steps to reduce overall expenses. The Board views company-wide expense reduction as a key element to Jaguar build a strong foundation and more profitable future."

Thomas Weng, Chairman of the Board, Bio

Mr. Weng was appointed as a director of the Corporation on April 1, 2016. Mr. Weng has more than 25 years of experience in the financial services sector with focus on mining, metals and industrials. Mr. Weng is Co-Founding Partner with Alta Capital, a financial advisory provider. Previously, Mr. Weng was Managing Director at Deutsche Bank and Head of Equity Capital Markets and Mining throughout the Americas and Latin America, across all industry segments. Prior to 2007, Mr. Weng held senior positions at Pacific Partners, an alternative investment firm, and Morgan Stanley and Bear Stearns. Mr. Weng graduated from Boston University with a Bachelor of Arts in Economics.

## Q3 2018 Financial Results

(\$ thousands, except where indicated)	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>Financial Data</b>				
Revenue	\$ 25,426	\$ 26,062	\$ 73,541	\$ 78,606
Operating costs	12,809	16,116	40,564	53,614
Depreciation	4,919	5,898	14,211	17,271
Gross profit	7,698	4,048	18,766	7,721
Net income (loss)	2,208	(7,664)	(904)	(18,861)
Per share ("EPS")	0.01	(0.02)	(0.00)	(0.06)
EBITDA <sup>1</sup>	7,889	(507)	16,309	3,949
Adjusted EBITDA <sup>1,2</sup>	8,909	6,094	19,805	14,020
Adjusted EBITDA per share <sup>1</sup>	0.03	0.02	0.06	0.04
Cash operating costs (per ounce sold) <sup>1</sup>	627	809	713	867
All-in sustaining costs (per ounce sold) <sup>1</sup>	1,142	1,168	1,233	1,249
Average realized gold price (per ounce) <sup>1</sup>	1,244	1,276	1,292	1,250
Cash generated from operating activities	6,566	7,509	16,004	9,583
Adjusted operating cash flow <sup>1</sup>	7,541	6,076	19,766	15,002
Free cash flow <sup>1</sup>	(1,298)	2,212	(5,489)	(7,118)
Free cash flow (per ounce sold) <sup>1</sup>	(63)	108	(96)	(113)
Sustaining capital expenditures <sup>1</sup>	7,864	4,624	21,493	15,233
Non-sustaining capital expenditures <sup>1</sup>	641	1,138	2,241	3,401
Total capital expenditures	8,505	5,763	23,734	18,634

<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, adjusted EBITDA per share, and gross profit (excluding depreciation) 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.

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017

Operating Data

Gold produced (ounces)	20,320	20,781	58,004	62,842
Gold sold (ounces)	20,441	20,422	56,908	62,909
Primary development (metres)	1,436	932	3,782	2,666
Secondary development (metres)	727	922	1,751	3,292
Definition, infill, and exploration drilling (metres)	11,716	11,592	29,917	34,525

### Cash Position and Use of Funds

- Cash balance of approximately \$6.7million as of September 30, 2018, compared to a cash balance of \$9.2million 2018;
- Company generated approximately \$6.6 million in operating cash flow with \$7.9 million spent in investing activities mainly development expenditures. In addition, \$1.3 million was paid in financing activities.

### Third Quarter 2018 Conference Call Details

The Company will also host an earnings conference call on Wednesday November 14, 2018 at 8:30 a.m. ET.

Participants in North America may listen to the call by dialing 1-800-319-4610 at approximately 8:20 a.m. (ET) and ask to join the Jaguar Mining Third Quarter 2018 Results Conference Call. International callers should dial 1-604-638-5340. The call will also be webcast live at [www.jaguarmining.com](http://www.jaguarmining.com).

A replay of the conference call will be available after the call until December 14, 2018, at midnight, and can be accessed by dialing 1-800-319-6413, conference ID 2708#. International callers can access the replay by dialing 1-604-638-9010. The audio webcast will also be archived at [www.jaguarmining.com](http://www.jaguarmining.com).

### 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.](http://www.jaguarmining.com), and is a "qualified person" as defined by National Instrument 43-101 &ndash;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&ndash;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.](http://www.jaguarmining.com) 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 2018. Additional information is available on the Company's website at [www.jaguarmining.com](http://www.jaguarmining.com).

### 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, and resolution of pending litigation. The Company has made numerous assumptions with respect to forward-looking information contained herein, including, among other things, assumptions about the estimated timeline for the development of its mineral properties; the supply and demand for, and the level and volatility of the price of, gold; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; the receipt of necessary permits; market competition; ongoing relations with employees and impacted communities; political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any potential power rationing, tailings facility regulation, exploration and mine operating licenses and permits being obtained or 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 expanded 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, 2018, is set out in the Company's third quarter 2018 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, 2018, is set out in the Company's third quarter 2018 MD&A filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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#### Contact

Ben Guenther, President & Chief Executive Officer, [Jaguar Mining Inc.](#), [bguenther@jaguarmining.com](mailto:bguenther@jaguarmining.com), 416-847-1854; Hashim Ahmed, Chief Financial Officer, [Jaguar Mining Inc.](#), [hashim.ahmed@jaguarmining.com](mailto:hashim.ahmed@jaguarmining.com), 416-847-1854

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