

Jaguar Mining Reports Fourth Quarter and Full Year 2018 Financial Results

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TORONTO, March 28, 2019 - [Jaguar Mining Inc.](#) ("Jaguar" or the "Company") (TSX: JAG) today announced financial results for the fourth quarter ("Q4 2018") and twelve months ("FY 2018") ended December 31, 2018.

Q4 2018 Financial Highlights (All figures are in US dollars, unless otherwise expressed)

- Gold production of 17,044 ounces compared to 21,311 in Q417
- Consolidated Cash operating costs ("COC") increased 7% to \$795 per ounce
- Consolidated all-in sustaining costs ("AISC") increased 16% to \$1,279 per ounce
- Net loss of \$15.1 million, or net loss per share of \$0.05 (includes an impairment charge of \$9.0 million)
- Sustaining capital expenditures of \$6.5 million invested in mining equipment and development
- Subsequent to Q4/18, Company completed a secured bridge facility ("Facility") for \$7.85 million with Auramet

2018 Financial Highlights

- Gold production totaled 75,048 ounces, including record annual production at Pilar, an 11% decrease from 2018
- Gross profit increased 56.3% to \$21.1 million reflecting a 21% decrease in operating expenses year-over-year
- COC of \$732 per ounce, 13% improvement over \$837 per ounce for FY 2017
- AISC of \$1,244 per ounce, 3% increase over \$1,212 for FY 2017 due to lower than anticipated gold production
- Operating cash flow increased 42% to \$21.2 million; adjusted EBITDA decreased 4.6% to \$20.7 million
- Net loss of \$16.0 million compared to a net loss of \$2.8 million in 2017 (includes an impairment charge of \$9.0 million)
- Sustaining capital expenditures of \$28 million invested in mining equipment and development

"Our top priority is executing the turnaround plan at Turmalina to increase production. During the fourth quarter several execution challenges resulted in lower than expected production," said Ben Guenther, Interim CEO, Jaguar Mining. "Despite this performance, we delivered record annual production at Pilar and added new Turmalina operations management."

"In terms of exploration, 2018 was an outstanding year that saw investment in infill and growth drilling, focused on converting mineral resources resulting in an 81% increase in proven and probable reserves."

Q4 2018 Financial Results

(\$ thousands, except where indicated)	For the three months ended		Twelve months ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
Financial Data				
Revenue	\$ 21,377	\$ 26,626	\$ 94,918	\$ 105,231
Operating costs	14,014	15,526	54,581	69,140
Depreciation				

4,997

5,302

Gross profit	2,366	5,798	21,129	13,519
Net income (loss)	(15,065)	16,034	(15,968)	(2,830)
Per share ("EPS")	(0.05)	0.05	(0.05)	(0.01)
EBITDA ¹	(9,189)	22,927	7,122	26,871
Adjusted EBITDA ^{1,2}	2,833	7,698	20,716	21,711
Adjusted EBITDA per share ¹	0.01	0.02	0.06	0.07
Cash operating costs (per ounce sold) ¹	795	745	732	837
All-in sustaining costs (per ounce sold) ¹	1,279	1,104	1,244	1,212
Average realized gold price (per ounce) ¹	1,213	1,278	1,274	1,256
Cash generated from operating activities	5,180	5,387	21,183	14,968
Free cash flow ¹	(1,347)	502	(6,836)	(5,071)
Free cash flow (per ounce sold) ¹	(76)	24	(92)	(61)
Sustaining capital expenditures ¹	6,527	4,885	28,019	20,039
Non-sustaining capital expenditures ¹	302	1,111	2,544	4,582
Total capital expenditures	6,829	5,996	30,563	24,621

¹Average 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.

²Adjusted 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		Twelve months ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Operating Data				
Gold produced (ounces)	17,044	21,311	75,048	84,152
Gold sold (ounces)	17,622	20,841	74,530	83,750
Primary development (metres)	777	908	4,455	3,574
Secondary development (metres)	719	677	2,471	3,969
Definition, infill, and exploration drilling (metres)	12,292	13,973	42,315	48,498

Cash Position and Use of Funds

- Cash balance of approximately \$6.3 million as of December 30, 2018, compared to a cash balance of \$6.7 million at September 30, 2018, and \$18.6 million as at December 31, 2017. 2018 year-end cash balance excludes a \$2 million cash deposit held with Auramet and \$0.5 million margin deposit with Banco Votorantim.
- Lower year-over-year cash balance reflects \$30.5 million invested in capital expenditures, of which \$28 million was invested in sustaining CAPEX activities including significant development at Turmalina and Pilar Gold mines. Also, lower gold production contributed to the lower cash balance at the end of 2018. In 2018, the company generated approximately \$21.2 million in operating cash flow. In addition, \$5.2 million was paid in financing activities.

Secured Bridge Facility

- Company completed a short-term senior secured bridge facility (the "Facility") with Auramet International LLC ("Auramet") for US\$7.85 million at 14%, with a term of 120 days expiring on July 15, 2019.
- The facility is secured by all shares of Jaguar's 100% owned subsidiary Mineracao Serras Do Oeste Eireli (MSOL).
- Net proceeds are intended to fund working capital requirements, underground development at Turmalina and general corporate purposes.
- The Company continues to explore longer term financing options that may include the issuance of debt or convertible debt securities, the issuance of various forms of equity securities, joint venture or other arrangements with third parties, or the sale of certain assets. There is no assurance that any such financing transaction will be completed within the 120-day term of the Facility.

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 2018. Additional information is available on the Company's website at 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. 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 December 31, 2018, is set out in the Company's fourth quarter 2018 Management Discussion and Analysis (MD&A) filed on SEDAR at 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 December 31, 2018, is set out in the Company's fourth quarter 2018 MD&A filed on SEDAR at www.sedar.com.

SOURCE [Jaguar Mining Inc.](http://www.jaguarmining.com)

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