

Jaguar Mining Announces Landmark Settlement of Major Environmental Fine, Delivering Substantial Financial Benefit

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TORONTO, July 14, 2025 - [Jaguar Mining Inc.](#) ("Jaguar" or the "Company") (TSX:JAG) is pleased to announce the successful conclusion of negotiations regarding a significant environmental fine with the State of Minas Gerais, Brazil. The Company has reached a favorable agreement to settle this administrative penalty for BRL59,988,878.25, representing a substantial reduction from an initial estimated liability of R\$320 million. This landmark settlement underscores Jaguar Mining's proactive engagement and unwavering commitment to responsible corporate conduct, strengthening its financial position and providing clarity for future operations.

Context and Resolution

The environmental fine stemmed from an infraction notice issued following a partial slide at the Satinoco dry stacking pile (refer to News Release dated December 09, 2024). From the outset, Jaguar Mining has been dedicated to a transparent and responsible approach to addressing the incident and its implications. Through extensive negotiation, the Company and the State of Minas Gerais reached a comprehensive agreement that acknowledges mitigating factors and reciprocal concessions, leading to the greatly reduced final amount.

Key Terms of the Agreement

The settlement is structured with terms aimed at supporting the Company's financial liquidity and operational continuity, while providing fair compensation for the recognized damages caused by the incident:

- **Socio-Environmental Projects Contribution:** BRL24,500,000.00 (approximately USD 4.45M) will be allocated to specific socio-environmental projects within the State of Minas Gerais. Jaguar Mining will directly acquire the necessary items for these projects, allowing for flexibility in payment terms negotiated directly with suppliers, potentially extending payment periods and becoming more favorable to the Company's cash flow. The full completion of these projects is planned within 36 months of the agreement's judicial confirmation (a standard procedure).
- **Installment Payment:** The remaining balance of BRL35,488,878.25 (approximately USD 6.45M) will be paid in 60 equal monthly installments.
- **Grace Period:** A grace period of 12 months to start both installments, commencing from the date of the agreement's judicial confirmation, will precede the start of the monthly installment payments. For the 60 month installment principal amount (BRL35.5 million), this grace period will incur interest determined by the SELIC rate. The SELIC (Sistema Especial de Liquidação e de Custódia) is Brazil's basic interest rate, set by the Brazilian Central Bank (Banco Central do Brasil) to influence the economy, control inflation, and serve as a benchmark for other interest rates. This provides Jaguar Mining with valuable time to further stabilize its operations and financial flows before payments commence. Notably, Jaguar Mining can choose to anticipate the start of payments at any time during this grace period. Should this occur, the grace period will immediately terminate, and the timeline for paying the remaining installments will begin.

This comprehensive agreement not only resolves a substantial administrative penalty for a significantly reduced amount (an approximate 81.3% reduction from the initial BRL320 million estimated liability) but also includes provisions that are highly beneficial to Jaguar Mining's financial planning and operational focus.

The reduction of the fine was based on a series of critical considerations, as outlined in the "Termo de

Autocomposição" (TAC) nº 17/2025, which collectively painted a less severe picture of the incident's impact than initially estimated and highlighted the company's proactive measures, namely:

Limited Scope and Absence of Catastrophic Consequences:

The "TAC" notes the Satinoco tailings slide had limited impact:

- No fatalities, physical injuries, or widespread health harm.
- No disruption to public water/energy or total road closures.
- Public calamity status was denied by federal authorities, challenging initial severity.
- Affected area was small: 9.83 ha total, only 1.35 ha outside Company's direct zone.

Jaguar Mining's Proactive Engagement and Mitigating Actions:

Jaguar's Brazilian subsidiary, MSOL, demonstrated unwavering cooperation by swiftly implementing an Emergency Action Plan (PAE) and timely corrective measures, a proactive response explicitly recognized as an attenuating circumstance. MSOL also committed to extensive environmental restoration, including a Plan for Recovery of Degraded Areas. Furthermore, the company expended significant, continuous resources on community assistance and job preservation during operational suspension, which directly strained its financial capacity.

Legal Uncertainties and Risk Mitigation for the State:

The State acknowledged MSOL's valid legal arguments regarding aggravating factors and recidivism, recognizing the initial fine's disproportionate nature and risk of judicial challenge. The "TAC" emphasized avoiding prolonged litigation and uncertain collection by embracing a consensual "administrative transaction." This strategy was deemed a legally sound and efficient way to allocate resources for environmental repair, making the settlement a clear "win-win" over a protracted dispute.

Shareholder Value Proposition

The successful negotiation and favorable terms of this settlement significantly reduce a major contingent liability, thereby strengthening Jaguar Mining's balance sheet and enhancing its overall financial stability. This resolution emphatically underscores the Company's commitment to prudent financial management and robust corporate governance. By definitively addressing this fine, Jaguar Mining can now re-focus its resources and management attention squarely on its core mission: optimizing its gold mining operations in Brazil, driving sustainable production, and delivering long-term value to its shareholders. This positive outcome significantly reduces uncertainty and paves the way for continued operational progress and growth.

"We are incredibly proud of the collaborative spirit and diligent work that led to this landmark settlement.," said Luis Albano Tondo, Deputy CEO of Jaguar Mining. "This agreement is an important milestone reached in our robust plan to resume operations in MTL, as outlined in our news release dated July 9, 2025, and is a clear testament to the company's effort to address the Satinoco incident comprehensively and responsibly. It secures a clear path forward for Jaguar Mining, reinforcing our financial stability and allowing us to focus on sustainable growth while reaffirming our unwavering commitment to environmental stewardship and the well-being of the communities in Minas Gerais. This truly is a win-win for all stakeholders involved."

Qualified Person

Scientific and technical information contained in this press release has been reviewed and approved by Luis Albano Tondo, BSc Mining Eng, MEngSc, MBA, FAusIMM, Deputy Chief Executive Officer, 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").

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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 duration of the temporary suspension of the Company's MTL complex in the wake of the slump at its Satinoco dry tailings pile, the cost and timing of resuming operations at the MTL complex, the Company's ability to advance and complete its plan to resume operations at the MTL complex in accordance with (and as contemplated by) the above, the future stability of the tailings pile in question and safety of the Turmalina mine, the amount, timing and payment terms of any fines imposed on the Company, as well as any costs and damages arising from any civil or criminal lawsuits, resulting from the tailings pile slump, management's expectations regarding potential outcomes of any ongoing legal matters relating to the tailings pile slump, management's expectations regarding the Company's response to the tailings pile slump and the Company's recovery and remediation efforts at the MTL complex, any information and statements related to future operations at any of the Company's properties, including Pilar and Turmalina, any information and statements related to expected growth, 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 future and long-term stability of the Satinoco tailings pile; there will be no unforeseen adverse weather events or other external factors that could delay the Company's recovery or remediation efforts; the current assumptions regarding the extent of the damage and timeline for repairs at the MTL complex remain accurate and will not require significant revision as further assessments are completed; the estimated timeline for recommencing operations at the MTL complex; the estimated timeline for the development of the Company's 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 timelines and achieving the milestones outlined above regarding the Company's current plan and process for resuming operations at the MTL complex, 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.sedarplus.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.

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