

POLICIES & PROCEDURES



INSIDER TRADING POLICY

Owner: Chief Executive Officer

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PURPOSE OF THE POLICY

Canadian and United States securities laws prohibit “insider trading” and impose restrictions on trading in securities while in possession of material undisclosed information. The rules and procedures outlined in this Policy have been implemented in order to prevent improper trading in securities of Jaguar Mining Inc (together with its subsidiaries, “Jaguar” or the “Company”) and the improper communication of material undisclosed information regarding Jaguar. In addition, this Policy is aimed at preventing directors, officers and employees from engaging in securities trading that, although not illegal, exposes them and/or the Company to potential reputational risk. All directors, officers and employees are required to comply with the securities laws in respect of insider trading and the insider trading rules set out in Jaguar’s Code of Business Conduct and Ethics and this Policy.

This Policy is not intended to replace your individual responsibility to understand and comply with the legal prohibitions against insider trading.

PART 1 – GENERAL TRADING POLICY

A. INTRODUCTION

One of the principal purposes of securities laws is to prohibit “insider trading”. Insider trading occurs when a person uses material non-public information to make decisions to purchase, sell or otherwise trade a company’s securities or provides that information to others outside the necessary course of business. The prohibitions against insider trading apply to trades and tips by virtually any person, including all Jaguar directors, officers and employees, if the information involved is “material” and “non-public”. These terms are defined later on in this Policy.

If you have questions about this Policy or the best course of action in a particular situation, you should seek guidance from the CFO.

B. APPLICABILITY

This Policy applies to all transactions in the Company’s securities, including common shares, options and any other securities that the Company may issue such as notes, bonds and convertible securities (“Jaguar securities”). This Policy also applies to securities in companies with which Jaguar does business, or may do business with, when you are in possession of material non-public information regarding such company. This Policy is divided into two parts. Part 1 of this Policy applies to all directors, officers and employees of Jaguar regardless of their position, level or function. Part 2 of this Policy sets out special rules for directors, officers and certain designated employees due to the nature of their roles and responsibilities.



C. PROHIBITION ON INSIDER TRADING AND TIPPING

If a director, officer or employee of the Company has material non-public information relating to the Company, neither that person nor any Related Person (as defined below) may buy or sell Jaguar securities or engage in any other action to take advantage of that information. Passing on such information to a third party (known as “tipping”), other than in the necessary course of business, is also prohibited. Tipping arises when you disclose material non-public information about Jaguar or another publicly-traded entity to another person and that person either (a) trades in a security related to the information that you provided or (b) provides the information to a third person who then makes a trade in a related security. Tipping is a violation of law, even if you do not personally make a trade or otherwise benefit from disclosing the information.

For the purposes of this Policy, a “Related Person” means an individual’s spouse, minor children and anyone else living in his or her household, and any legal entities that he or she controls.

Information relating to a company is considered “material” if: (a) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of shares; or (b) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (c) it would significantly alter the total mix of information available to investors.

Although not intended to be a comprehensive list, the following are examples of information that could be material, depending on scale and magnitude:

- quarterly or annual earnings or operational results or projections;
- mergers, acquisitions, joint ventures or divestitures;
- management changes or changes in control of Jaguar;
- public or private sales of Jaguar securities;
- new developments, including regulatory matters, relating to projects or mines;
- stock splits or changes in capital or corporate structure.

Refer to Appendix A for more examples of information that may be considered material.

Information is “non-public” until it has been publicly disclosed and adequate time has passed for the securities markets to digest the information. Material information about Jaguar should be considered to be non-public unless there is a certainty that it has been publicly disseminated.



D. CONSEQUENCES OF NON-COMPLIANCE

Violations of this Policy or applicable legal and regulatory requirements may result in disciplinary action up to and including dismissal without notice or payment in lieu of notice depending upon the severity of the violation. The criminal and civil consequences of prohibited insider trading, tipping or a failure to file an insider report where required on a timely basis can be severe and may include sanctions, substantial jail terms and penalties of several times the amount of profits gained or losses avoided. For example, in Canada, penalties for violations of insider trading laws include up to five years imprisonment and fines of up to the greater of \$5,000,000 and three times any profit made or loss avoided.



PART 2 – SPECIAL RULES FOR DIRECTORS, OFFICERS AND DESIGNATED EMPLOYEES

A. PROCEDURES FOR TRADING IN JAGUAR SECURITIES

1. Notice of Trades in Jaguar Securities by Directors, Officers and Designated Employees

In order to ensure that management is informed of all insider trades in Jaguar securities outside a Blackout Period (as defined below), the following personnel must send a Notice to the CFO (by email):

- Members of Board of Directors of Jaguar Mining Inc;
- Officers of the Company
- Other employees of the Company who possess non-public material information.

This Notice requirement extends to all proposed transactions in Jaguar securities for an individual's own account and for accounts over which an individual exercises control or direction.

Transactions in the following types of securities (the "Exempt Securities") do not require prior notification:

- open-end and closed-end mutual funds, exchange traded funds;
- company administered plans such as employee savings plan or retirement savings plan;
- purchases under a dividend reinvestment program (DRIP);
- transactions executed on your behalf by professional investment counsel, provided that you have provided no information or instructions regarding the subject security other than customary general client investment objectives and similar information; and
- transactions that are non-volitional in nature such as mergers, recapitalizations, distributions-in-kind or similar transactions.

The Notice should specify the type and quantity of Jaguar securities to be traded and type of transaction (i.e., purchase, sale or exercise of stock options).

Directors, officers and employees are reminded that, notwithstanding any notification of a trade to the CFO, the ultimate responsibility for complying with the applicable laws and regulations rests with the individual.



2. Blackout Periods

No trades shall be carried out by directors and officers, during the period of time beginning on the first day on which the Toronto Stock Exchange is open for trading following the end of a fiscal quarter, or fiscal year end, until the opening of the second full trading day after an earnings press release.

Trading Blackout Periods will also apply to all other employees with access to material undisclosed information, such as during periods when financial statements are being prepared but results have not yet been publicly disclosed. Notice of such blackout will be communicated by the Company to all directors, executive officers and senior management.

Blackout Periods may also be prescribed from time to time as a result of special circumstances relating to Jaguar. All directors, officers and employees with knowledge of such special circumstances will be covered by the blackout. In these circumstances such Blackout Periods will be communicated on a case-by-case basis by the CFO, or his designate, after consulting with the CEO.

3. Insider Reporting Requirements

All directors and executive officers and certain other members of senior management of Jaguar Mining Inc are considered “reporting insiders” under applicable securities laws and are required to file insider reports with Canadian securities administrators. The legal counsel maintains a list of all individuals who are considered reporting insiders. A reporting insider is required to file an insider trading report in Canada (with System for Electronic Disclosure by Insiders (SEDI)) within ten (10) calendar days after becoming a reporting insider, disclosing such person’s beneficial ownership of or control or direction over Jaguar securities and share-based awards under Jaguar compensation plans. Each such reporting insider is also required to file an insider trading report with securities regulators any time such beneficial ownership of or control or direction changes within five (5) calendar days of the date on which the change occurs.

Company appointed external or internal legal counsel is available to assist reporting insiders in completing and filing the required insider trading reports. Insiders are reminded that they remain personally responsible for the timely disclosure of their trading activities and that the assistance offered by the management in no way reduces the obligations imposed on them by applicable insider trading laws.

4. Take-Over Bids and Early Warning Regimes

Take-over bids, issuer bids and special transactions are regulated by securities law provisions in the Securities Act (Ontario) and related rules. Securities legislation in Ontario also includes



early warning requirements which apply when a person or company acquires ownership of 10% or more of the voting or equity securities of a reporting issuer.

The early warning regime applies when a person or company acquires ownership of 10% or more of the voting or equity securities of a reporting issuer. This provides the market with immediate notice that a particular person or company is accumulating a significant block of shares in a reporting issuer. Please consult with the CFO in case of special circumstances for take-over bids or Early Warning Regimes.



PART 3 – ADMINISTRATION

This policy will be administered by the CFO and will be reviewed for updates every 2 years, unless a change in laws and regulations requires an earlier amendment.

Appendix A - Examples of Information That May Be Material

(Based on National Policy 51-201 and Section 410 of the Toronto Stock Exchange Manual)

Changes in corporate structure

- changes in share ownership that may affect control of the company
- changes in corporate structure such as reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period



- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or writedowns
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

Changes in business and operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board or executive management, including the departure of the company's Chairman, CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company



Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement

procedures by a bank or any other creditors

- changes in rating agency decisions or significant new credit arrangements