Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Jaguar Mining Inc. (“**Jaguar**” or the “**Company**”)
First Canadian Place
100 King Street West
Suite 5600
Toronto, Ontario
M5X 1C9

Item 2 Date of Material Change

June 25, 2019. Although the Offering (as defined below) was initially announced on June 18, 2019, along with some additional information regarding the Offering set out in this report, the Offering was not legally feasible until the Toronto Stock Exchange (the “**TSX**”) provided its conditional approval of the Offering on June 25, 2019 (the “**Conditional Approval**”). Unlike typical financings, Conditional Approval of the Offering required a heightened level of scrutiny by the TSX on account of the fact that, pursuant to the provisions of Section 604(e) of the TSX Company Manual, the Company applied to utilize the “financial hardship” exemption from the requirements to obtain shareholder approval for the Offering (the “**Financial Hardship Application**”). The TSX Listing Committee met on June 5, 2019 to deliberate on the Financial Hardship Application. The TSX subsequently provided its approval for the Company to issue a news release announcing the Offering. The TSX also advised the Company that Conditional Approval would only be granted if no dissident complaints were received within five business days following the announcement of the Offering, which occurred on June 18, 2019. The Company did not receive any such dissident complaints prior to the TSX’s granting of Conditional Approval on June 25, 2019, at which point the Offering became legally feasible and therefore, a material change of the Company. No decision to implement the change could have occurred prior to that time.

Item 3 News Release

News releases with respect to the material change referred to in this report were disseminated via Cision on June 18, 2019 and June 26, 2019, respectively, and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On June 18, 2019, the Company announced that it is proposing to complete a non-brokered private placement (the “**Offering**”) pursuant to which it seeks to raise up to USD$25 million in gross proceeds through the sale of the Company’s common shares (“**Common Shares**”). The Common Shares are being offered at a price per share of CAD$0.085 (or USD$0.0634 at a deemed exchange rate of USD$1.00 = CAD$1.34).

The Company’s two largest shareholders intend to participate in the Offering in the following manner:

- Eric Steven Sprott (21.7% shareholder) intends to subscribe for a minimum amount of USD$15 million; and

- Tocqueville Asset Management LP (19.6% shareholder) intends to purchase 19.6% of the Offering (representing a minimum investment of USD$4.896 million).

The minimum amount from these lead orders (the "**Lead Orders**") therefore represents USD$19.896 million, representing 79.58% of the Offering.

A finder's fee or commission will be paid to any finder or independent intermediary that: (i) identifies and solicits qualified investors that subscribe for the Offering; and (ii) is a registered dealer or advisor in accordance with applicable securities laws. For clarity, there will be no commission, referral or finder's fee payable in respect of subscribers that are identified and solicited by the Company or any of its affiliated entities. There will also be no commission, referral or finder's fee payable to a subscriber (or an affiliate thereof) in regard to the subscriber's own purchase of any Common Shares.

The Company anticipates that it will use the net proceeds of the Offering for: (i) capital improvements and infrastructure intended to improve production output and cost efficiencies at its operating gold mines in Brazil; (ii) advancing the Company's mineral exploration activities in order to increase reserves and expected mine lives; (iii) the repayment of a USD$7.85 bridge loan due July 15, 2019; and (iv) for general corporate and working capital improvement purposes.

On June 26, 2019, the Company issued another news release providing an update on the Offering. Specifically, the Company announced that: (i) the Conditional Approval of the TSX has been obtained; (ii) the order book for the Offering is full; and (iii) the new anticipated closing date of the Offering is July 3, 2019.

The Company submitted the Financial Hardship Application to the TSX on the basis that the Company is in serious financial difficulty and the Offering is designed to improve the Company's financial situation.

Item 5.1 Full Description of Material Change

Description of the Private Placement and Material Terms

On June 18, 2019, the Company announced that it is proposing to complete the Offering pursuant to which it seeks to raise up to USD$25 million in gross proceeds through the sale of Common Shares. The Common Shares are being offered at a price per share of CAD$0.085 (or USD$0.0634 at a deemed exchange rate of USD$1.00 = CAD$1.34). The closing price of the Common Shares on the TSX on June 17, 2019 was CAD$0.12.

The Company's two largest shareholders intend to participate in the Offering in the following manner:

- Eric Steven Sprott (21.7% shareholder) intends to subscribe for a minimum amount of USD$15 million; and

- Tocqueville Asset Management LP (19.6% shareholder) intends to purchase 19.6% of the Offering (representing a minimum investment of USD$4.896 million).

The minimum amount from the Lead Orders therefore represents USD$19.896 million, representing 79.58% of the Offering.

Mr. Sprott currently holds 59,755,141 Common Shares directly and holds an additional 11,545,455 Common Shares through 2176423 Ontario Ltd. (a personal investment holding corporation) for total holdings of 71,300,596 Common Shares.

Tocqueville Asset Management LP is a New York-based, SEC registered, investment adviser firm and investment fund manager that manages a number of investment funds, including the Tocqueville Gold Fund, which is a mutual fund. Tocqueville Asset Management LP does not itself own any securities of Jaguar, but has authority to exercise control and direction over the assets of the Tocqueville Gold Fund. The Tocqueville Gold Fund currently holds 64,330,707 Common Shares.

Jaguar currently has 328,505,674 Common Shares that are issued and outstanding. Pursuant to the terms of the Offering, Jaguar will issue up to 394,117,647 additional Common Shares (which assumes a CAD/USD foreign exchange rate of 1.34), representing 119.97% of its currently issued and outstanding Common Shares. Given that the order book for the Offering is full and the entire Offering amount of USD$25 million is expected to be raised, it is anticipated that Mr. Sprott will purchase 236,470,588 Common Shares (representing USD$15 million and 60% of the Offering) and therefore, he will have total holdings of 307,771,184 Common Shares, which will represent 42.6% of the Company's outstanding Common Shares on a post-closing basis. Given that the entire Offering amount of USD$25 million is expected to be raised, it is anticipated that the Tocqueville Gold Fund will purchase 77,179,388 Common Shares (19.6% of the Offering) for total holdings of 141,510,095 Common Shares, which will represent 19.6% of the Company's outstanding Common Shares on a post-closing basis. Mr. Sprott's and the Tocqueville Gold Fund's participation in the Offering will not result in any collateral benefits for Mr. Sprott or the Tocqueville Gold Fund. Their subscriptions for Common Shares will be made upon the same terms as any other party that participates in the Offering.

The Company does not expect that the closing of the Offering will result in the creation of any new insiders (>10% holders).

A finder's fee or commission will be paid to any finder or independent intermediary that: (i) identifies and solicits qualified investors that subscribe for the Offering; and (ii) is a registered dealer or advisor in accordance with applicable securities laws. For clarity, there will be no commission, referral or finder's fee payable in respect of subscribers that are identified and solicited by the Company or any of its affiliated entities. There will also be no commission, referral or finder's fee payable to a subscriber (or an affiliate thereof) in regard to the subscriber's own purchase of any Common Shares.

On June 26, 2019, the Company issued another news release providing an update on the Offering. Specifically, the Company announced that: (i) the Conditional Approval of the TSX has been obtained; (ii) the order book for the Offering is full; and (iii) the new anticipated closing date of the Offering is July 3, 2019.

Related Party Transaction Exemptions

In regard to the subscription agreements from the Lead Orders (and from any other related parties), the Offering is a "related party transaction" pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Offering will be exempt from the formal valuation requirement and minority shareholder approval requirement of MI 61-101 since the Company will rely upon the financial hardship exemptions that are found in section 5.5(g) and 5.7(e) of MI 61-101. As described in OSC Staff Notice 51-706, the TSX's financial hardship exemption and the considerations made by the Company and the TSX pursuant to the Company's application to utilize that exemption are similar to, and based on, the financial hardship exemption in MI 61-101. Approval by the TSX regarding the Company's use of the financial hardship exemption found in Section 604(e) of the TSX Company Manual is consistent with the Company's use of the financial hardship exemptions in MI 61-101.

The terms of the Offering were principally negotiated by the Company's Finance & Corporate Development Committee. All of the members of the Finance & Corporate Development Committee are independent within the meaning described in section 7.1 of MI 61-101. All of the members of the Finance & Corporate Development Committee are independent from the Lead Orders, will not be parties to the Offering and will not receive a collateral benefit or any payment or bonus compensation as a result of the completion of the Offering.

The subscription price of the Offering (being CAD$0.085) was determined with regard to determinations concerning the best interests of the Company and included considerations regarding: (i) the expected marketability of the Offering; and (ii) the prevailing market price of the Common Shares at the time that the subscription price was negotiated with the Lead Orders. The final version of an indicative term sheet was agreed to by the Company and the Lead Orders on June 14, 2019. On June 13, 2019, the closing price on the TSX for the Common Shares was CAD$0.09.

This report is being filed less than 21 days before the expected date of closing of the Offering (which is expected to be on or after July 3, 2019) because, as described in Item 2 above, although the Offering was originally announced on June 18, 2019, the Offering was not legally feasible until the TSX provided its Conditional Approval, which could not be provided until five business days following the announcement of the Offering and the Company's intended use of the financial hardship exemption, as required by the TSX. Between the time of the announcement of the Offering and the time that the Offering became legally feasible and therefore, a material change (being the moment when Conditional Approval was obtained by the Company), the order book for the Offering was gradually filled. Administrative aspects regarding subscription agreements, allocations and cash are still being worked on as of the date hereof. Given the foregoing, as well as its current financial condition (as further described below), the Company believes that it is reasonable to file this report less than 21 days before the expected date of closing of the Offering.

Purpose of, Business Reasons for and Anticipated Effect of the Private Placement

Since the Offering was initially expected to raise gross proceeds of at least USD$19.896 million from the Lead Orders, the Company will be able to avoid a liquidity crisis and improve its operating and financial circumstances by: (i) repaying its USD$7.85 million bridge-loan owing to Auramet International LLC (see the Company's press release dated March 15, 2019), which is due to be repaid on July 15, 2019; and (ii) making overdue investments in capital equipment and infrastructure at its Turmalina mine that are expected to allow the Company to increase ore processing and gold production, improve recovery rates, improve operating efficiencies and reduce costs per ounce produced, which will result in improved positive cash flows. If the Offering is able to raise gross proceeds of USD$25 million (which is now expected), then these initial objectives are expected to be achieved and the additional funds will be used to achieve a stronger working capital position and to fund near-term investments in infill drilling (to increase gold reserves and improve detailed mine planning) and exploration drilling (to increase mineral resources and confirm the expected extensions to mine life). If the Offering is not successfully completed, then the Company is expected to have challenges continuing as a going concern (the amount of time will depend upon whether management can negotiate an extension to the term of the bridge-loan owing to Auramet International LLC and management's ability to generate sufficient cash flow from the current infrastructure and equipment). If no funds are raised pursuant to the Offering or any alternative transaction and if the term of the bridge-loan owing to Auramet International LLC is not extended, then the liquidity crisis will occur on July 15, 2019 when the bridge loan is due to be repaid. However, with the support of the Lead Orders and a full order book, the Company is currently quite confident that the Offering will be successfully completed by early July 2019.

The Company anticipates that it will use the net proceeds of the Offering for: (i) capital improvements and infrastructure intended to improve production output and cost efficiencies at its operating gold mines in Brazil; (ii) advancing the Company's mineral exploration activities in order to increase reserves and expected mine lives; (iii) the repayment of a USD$7.85 bridge loan due July 15, 2019; and (iv) for general corporate and working capital improvement purposes.

Review and Approval Process

During the past year, the Finance & Corporate Development Committee reviewed and considered the Offering amongst a mix of other alternatives, including: debt financing; convertible debt financing; royalty financing; merger and acquisition possibilities; a rights offering; and maintaining the status quo. No alternatives, other than the Offering, were able to be developed to the point where they were both feasible and the terms would be acceptable to the Company (based upon the best interests of the Company and considerations made regarding the Company's stakeholders and a desire to maximize shareholder value). The Finance & Corporate Development Committee also worked with the Company's external financial and legal advisors regarding the alternatives that were pursued and reviewed. No fairness opinion was obtained in regard to the Offering.

In regard to deciding to proceed with the Offering, no member of the Finance & Corporate Development Committee or the Company's Board of Directors had a materially contrary view or any material disagreement regarding the decision to proceed with the Offering. If the Offering was the subject of a shareholder vote, then the Company's Board of Directors would unanimously recommend that the shareholders vote to approve the Offering.

Application to Use the Financial Hardship Exemption

Since the Offering is a private placement where insiders of the Company will be acquiring greater than 10% of the number of the Common Shares which are outstanding prior to the Offering and completion of the Offering may materially affect control of the Company, the TSX ordinarily requires that shareholder approval must be obtained (as per section 604(a) and 607(g)(ii) of the TSX Company Manual). In addition, since the Offering is a private placement for an aggregate number of listed securities issuable greater than 25% of the number of securities of the Company which are outstanding, on a non-diluted basis, prior to the date of the closing of the transaction and the price per security is less than the market price, then the TSX ordinarily requires that shareholder approval must be obtained (as per section 607(g)(i) of the TSX Company Manual).

Pursuant to the provisions of Section 604(e) of the TSX Company Manual, the Company submitted the Financial Hardship Application on the basis that the Company is in serious financial difficulty and the Offering is designed to improve the Company's financial situation. The Financial Hardship Application was made upon the recommendations of both the Finance & Corporate Development Committee and the Audit & Risk Committee of the Company's Board of Directors, whose members are free from any interest in the transactions and are unrelated to the parties involved in the transactions, and was based on their determination that the Offering is reasonable for the Company in the circumstances.

The Company will be the subject of a remedial delisting review. It is routine for the TSX to require any issuer utilizing the financial hardship exemption to be the subject of a remedial delisting review. Pursuant to this delisting review, the TSX has required that, prior to October 16, 2019, the Company demonstrate to the TSX that the Company complies with all of the TSX requirements for continued listing after the completion of the Offering.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Hashim Ahmed, Chief Financial Officer of Jaguar, is knowledgeable about the material change and may be reached at (416) 847-1854.

Item 9 Date of Report

June 27, 2019.