



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS MARCH 31, 2024 AND 2023
(UNAUDITED)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of US dollars)

		March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 26,475	\$ 22,041
Restricted cash		1,011	897
Inventory	Note 3	17,493	15,639
Recoverable taxes	Note 4	5,038	5,584
Other accounts receivable	Note 5	595	310
Prepaid expenses and advances		2,100	1,556
Total current assets		52,712	46,027
Non-current assets			
Property, plant and equipment	Note 6	227,021	230,429
Mineral exploration projects	Note 7	20,436	20,436
Deferred tax assets		5,800	5,800
Recoverable taxes	Note 4	2,439	1,768
Other accounts receivable	Note 5	-	4,000
Restricted cash		652	659
Total assets		\$ 309,060	\$ 309,119
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 15,699	\$ 16,082
Notes payable		3,128	3,295
Lease liabilities		1,390	1,953
Current tax liability		1,245	1,381
Other taxes payable		1,141	1,334
Reclamation provisions	Note 8	3,646	4,298
Legal and other provisions	Note 9	5,033	5,068
Total current liabilities		31,282	33,411
Non-current liabilities			
Lease liabilities		549	592
Other taxes payable		8,313	8,375
Reclamation provision	Note 8	22,631	23,186
Legal and other provisions	Note 9	3,176	3,282
Total liabilities		\$ 65,951	\$ 68,846
SHAREHOLDERS' EQUITY			
Common shares	Note 10	\$ 574,000	\$ 574,000
Stock options		1,397	1,390
Deferred share units		2,778	2,776
Contributed surplus		23,883	23,883
Deficit		(358,949)	(361,776)
Total shareholders' equity		\$ 243,109	\$ 240,273
Total liabilities and shareholders' equity		\$ 309,060	\$ 309,119

Subsequent events

Note 10(c)

On behalf of the Board:

(signed) "Jeffrey Kennedy"

(signed) "Vernon Baker"

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the three months ended March 31, 2024 and 2023

(Expressed in thousands of US dollars, except per share amounts and number of shares)

		Three months ended March 31,	
		2024	2023
Revenue		\$ 32,577	\$ 35,844
Operating costs	Note 12	18,315	20,612
Depreciation		7,161	5,765
Gross profit		7,101	9,467
Exploration and evaluation costs		582	987
Care and maintenance costs (Paciência and Roça Grande mines)		190	168
Stock-based compensation	Note 10(b)(c)	9	419
General and administrative expenses		1,799	1,701
Amortization		34	19
Legal, recoverable tax and other provisions expenses		508	70
Other operating (income) expenses		(172)	351
Operating income		4,151	5,752
Foreign exchange (gain) loss		(1,211)	952
Finance costs		745	894
Other non-operating expenses (income)	Note 13	541	(462)
Income before income taxes		4,076	4,368
Income tax expense		1,249	1,895
Net income		\$ 2,827	\$ 2,473
Total comprehensive income		\$ 2,827	\$ 2,473
Earnings per share	Note 11		
Earnings per share			
Basic		\$ 0.04	\$ 0.03
Diluted		\$ 0.04	\$ 0.03
Weighted average shares outstanding			
Basic		79,066,665	72,564,246
Diluted		79,919,425	73,617,132

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2024 and 2023

(Expressed in thousands of US dollars)

		Three months ended March 31,	
		2024	2023
OPERATING ACTIVITIES			
Net income for the period		\$ 2,827	\$ 2,473
Adjustments and non-cash items			
Depreciation and amortization		7,195	5,784
Accretion interest expense		644	772
Interest expense		101	122
Unrealized foreign exchange (gain) loss		(1,278)	1,199
Current income tax expense		1,249	1,895
Reclamation provision expenses			
for sites on care and maintenance	Note 8	(157)	(140)
Legal and other provisions expense	Note 9	429	81
Other operating activities expenses	Note 14	1,112	331
Changes in operating assets and liabilities	Note 15	(2,483)	(223)
Cash provided by operating activities before income taxes		9,639	12,294
Income taxes paid		(1,530)	(1,929)
Net cash provided by operating activities		8,109	10,365
INVESTING ACTIVITIES			
Investment in mineral exploration projects		-	(797)
Purchase of property, plant and equipment		(7,194)	(8,072)
Proceeds from dispositions of property, plant and equipment		285	209
Proceeds from disposition of mineral exploration projects	Note 5	4,000	-
Net cash (used in) investing activities		(2,909)	(8,660)
FINANCING ACTIVITIES			
Cash received upon issuance of notes payable	Note 18(f)	1,650	1,650
Cash received upon issuance of shares via stock options exercised	Note 10(b)	-	38
Repayment of notes payable and lease liabilities	Note 18(f)	(2,411)	(2,439)
Interest paid		(72)	(106)
Net cash (used in) financing activities		(833)	(857)
Effect of exchange rate changes on cash and cash equivalents		67	(247)
Net (decrease) in cash and cash equivalents		4,434	601
Cash and cash equivalents at the beginning of the period		22,041	25,208
Cash and cash equivalents at the end of the period		\$ 26,475	\$ 25,809

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months ended March 31, 2024 and 2023

(Expressed in thousands of US dollars)

	Common Shares		Warrants		Stock Options		Deferred Share Units		Contributed Surplus	Deficit	Total Equity
	Shares	Amount	Units	Amount	Options	Amount	Units	Amount			
	<i>Note 10</i>				<i>Note 10</i>		<i>Note 10</i>				
Balance as at January 1, 2023	72,452,927	\$ 566,716	-	\$ -	1,012,082	\$ 1,460	731,338	\$ 2,715	\$ 23,760	\$ (377,630)	217,021
Stock options granted and outstanding	-	-	-	-	28,329	45	-	-	-	-	45
Stock options exercised	33,332	49			(33,332)	(11)	-	-	-	-	38
Deferred share units granted and outstanding	-	-	-	-	-	-	309,772	374	-	-	374
Deferred share units redeemed	148,060	502	-	-	-	-	(148,060)	(502)	-	-	-
Net Income	-	-	-	-	-	-	-	-	-	2,473	2,473
Balance as at March 31, 2023	72,634,319	\$ 567,267	-	\$ -	1,007,079	\$ 1,494	893,050	\$ 2,587	\$ 23,760	\$ (375,157)	\$ 219,951
Balance as at January 1, 2024	79,066,665	\$ 574,000	-	\$ -	993,792	\$ 1,390	843,455	\$ 2,776	\$ 23,883	\$ (361,776)	\$ 240,273
Stock options granted and outstanding	-	-	-	-	-	7	-	-	-	-	7
Deferred share units granted and outstanding	-	-	-	-	-	-	-	2	-	-	2
Net income	-	-	-	-	-	-	-	-	-	2,827	2,827
Balance as at March 31, 2024	79,066,665	\$ 574,000	-	\$ -	993,792	\$ 1,397	843,455	\$ 2,778	\$ 23,883	\$ (358,949)	\$ 243,109

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

1. Nature of business

Jaguar Mining Inc. (the “Company” or “Jaguar”) is a corporation continued under the *Business Corporations Act* (Ontario) engaged in the acquisition, exploration, development, and operation of gold producing properties in Brazil. The address of the Company’s registered and principal executive office is 25 Adelaide St. East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1.

These condensed consolidated financial statements of the Company as at for the three months ended March 31, 2024 and 2023, include the accounts of the Company and its wholly-owned subsidiaries: (i) Mineração Serras do Oeste Ltda. (“MSOL”) and (ii) IAMGOLD Brasil Prospecções Minerais Ltda. (“IAMGOLD Brazil”). All significant intercompany accounts and transactions have been eliminated on consolidation.

MSOL is the operating subsidiary for (i) the Turmalina Complex comprising the Turmalina mine and one processing facility, (ii) the Caeté Complex comprising the Pilar mine and one processing facility, and (iii) the Paciência Complex comprising the Santa Isabel mine which has been on care and maintenance since 2012. IAMGOLD Brazil is the subsidiary acquired on September 13, 2023 which owns the Pitangui and Acuruí gold mineral exploration projects located in proximity to the Turmalina Complex and Paciência Complex.

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements do not include all annual disclosures as required by IFRS Accounting Standards as issued by the IASB, and should be read in connection with the Company’s December 31, 2023 audited annual consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 2024.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business as they become due.

2. Material accounting policies and significant estimates and judgments

The accounting policies and estimates applied in these condensed interim consolidated financial statements are consistent with those used in the Company’s audited annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following which were effective and adopted as of January 1, 2024:

- IAS 1 ‘Presentation of Financial Statements’ – On January 23, 2020 and October 31, 2022, the IASB issued amendments to IAS 1 to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. For liabilities with covenants, the amendments clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification as current or non-current. The adoption of the amendments to IAS 1 did not affect the financial results or disclosures in the Company’s condensed interim consolidated financial statements.
- IFRS 16 ‘Leases’ – On September 22, 2022, the IASB issued amendments to IFRS 16 to add subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

payments. The amendments require the seller-lessee to subsequently measure lease liabilities in a way such that it does not recognize any gain or loss relating to the right of use it retains. The adoption of the amendments to IAS 16 did not affect the financial results or disclosures in the Company's condensed interim consolidated financial statements.

- IAS 7 'Statement of Cash Flows' – On May 25, 2023, the IASB issued amendments to IAS 7 requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. The adoption of the amendments to IAS 7 did not affect the financial results or disclosures in the Company's condensed interim consolidated financial statements.

The following are recent pronouncements approved by the IASB that are pending adoption:

- IAS 21 'The Effects of Changes in Foreign Exchange Rates' – On August 15, 2023, the IASB issued amendments to IAS 21 to specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not exchangeable. The amendments specify that a currency is exchangeable when it can be exchanged through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and the specified purpose. For non-exchangeable currencies, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. The amendments are effective on January 1, 2025 and are not expected to have a significant impact on the Company's consolidated financial statements.

3. Inventory

Inventory is comprised of the following:

	March 31, 2024	December 31, 2023
Raw material and mine operating supplies	\$ 9,617	\$ 10,000
Ore in stockpiles	706	699
Gold in process	1,655	765
Unrefined gold doré	5,515	4,175
Total inventory	\$ 17,493	\$ 15,639

The inventory amount recognized in direct mining and processing costs for the three months ended March 31, 2024 was \$17.4 million (\$19.6 million during the three months ended March 31, 2023).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

4. Recoverable taxes

	December 31, 2023	Additions/ reversals	Write- offs	Sales of credits	Applied to taxes payable	Foreign exchange	March 31, 2024
Value added taxes and other ^(a)	\$ 4,617	\$ 1,796	\$ -	\$ -	\$ (1,794)	\$ (141)	\$ 4,478
Provision for VAT and other	(808)	-	-	-	-	25	(783)
Net VAT and other taxes	\$ 3,809	\$ 1,796	\$ -	\$ -	\$ (1,794)	\$ (116)	\$ 3,695
ICMS ^(b)	\$ 5,510	\$ 894	\$ (109)	\$ (242)	\$ (99)	\$ (180)	\$ 5,774
Provision for ICMS	(1,967)	(85)	-	-	-	61	(1,991)
Net ICMS	\$ 3,543	\$ 809	\$ (109)	\$ (242)	\$ (99)	\$ (119)	\$ 3,783
Total recoverable taxes	\$ 7,352	\$ 2,605	\$ (109)	\$ (242)	\$ (1,893)	\$ (235)	\$ 7,478
Less: current portion	5,584						5,038
Non-current portion	\$ 1,768						\$ 2,439

- a) In the three months ended March 31, 2024, the Company applied (i) R\$5.3 million (\$1.2 million) in federal value added taxes and other tax credits to pay INSS tax obligations and (ii) R\$3.1 million (\$0.6 million) to pay goods and service withholding tax obligations. In the three months ended March 31, 2023, the Company applied (i) R\$7.1 million (\$1.4 million) in federal value added taxes and other tax credits to pay INSS tax obligations and (ii) R\$2.7 million (\$0.5 million) to pay goods and service withholding tax obligations.

As at March 31, 2024, the Company had a R\$8.5 million (\$1.7 million) receivable outstanding in its condensed interim consolidated statement of financial position for tax refunds due to the Company pursuant to a court judgment received with respect to its litigation over Brazil Federal VAT input tax credit claims from past years (December 31, 2023: R\$8.5 million, or \$1.8 million).

- b) In the three months ended March 31, 2024, the Company started the period with R\$3.4 million (approximately \$0.7 million) in ICMS export and deferred tax credits authorized and available for sale. The Company sold R\$1.2 million (approximately \$0.3 million) in credits. As at March 31, 2024, the Company held R\$2.2 million (approximately \$0.4 million) in ICMS export and deferred tax credits authorized for sale but not yet sold (December 31, 2023 – R\$3.4 million, approximately \$0.7 million).

5. Other accounts receivable

	March 31, 2024	December 31, 2023
Due from BHP Ltd. - CentroGold Project sale	-	4,000
Other accounts receivable	595	310
Total other accounts receivable	\$ 595	\$ 4,310
Less: current portion	595	310
Non-current portion	\$ -	\$ 4,000

In March 2024, the Company and BHP Ltd. agreed to amend the terms of sale of the CentroGold Project whereby, effective immediately upon signing the amendment agreement, the consideration remaining payable from BHP Ltd. to the Company under the agreement was reduced from \$5.0 million to \$4.0 million. The \$4.0 million was received in March 2024 and there are no remaining obligations outstanding.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

6. Property, plant and equipment ("PP&E")

	Plant	Vehicles	Equipment ¹	Leasehold ²	CIP ³	Mining properties	Total
Cost							
Balance as at January 1, 2024	\$ 26,824	\$ 7,194	\$ 207,329	\$ 8,688	\$ 4,247	\$ 599,491	\$ 853,773
Additions	-	-	291	-	274	6,302	6,867
Disposals	-	-	(4,222)	-	-	-	(4,222)
Transfers within PP&E	417	-	-	-	(417)	-	-
Balance as at March 31, 2024	\$ 27,241	\$ 7,194	\$ 203,398	\$ 8,688	\$ 4,104	\$ 605,793	\$ 856,418

Accumulated depreciation and impairment

Balance as at January 1, 2024	\$ 17,838	\$ 2,642	\$ 183,399	\$ 7,917	\$ (172)	\$ 411,720	\$ 623,344
Depreciation for the period	423	140	1,985	342	-	6,082	8,972
Disposals	-	-	(2,919)	-	-	-	(2,919)
Balance as at March 31, 2024	\$ 18,261	\$ 2,782	\$ 182,465	\$ 8,259	\$ (172)	\$ 417,802	\$ 629,397

Carrying amount

Balance as at March 31, 2024	\$ 8,980	\$ 4,412	\$ 20,933	\$ 429	\$ 4,276	\$ 187,991	\$ 227,021
-------------------------------------	-----------------	-----------------	------------------	---------------	-----------------	-------------------	-------------------

Cost

Balance as at January 1, 2023	\$ 19,114	\$ 5,685	\$ 205,197	\$ 8,161	\$ 11,088	\$ 550,213	\$ 799,458
Acquisition of IAMGOLD Brazil	-	434	-	-	-	-	434
Additions	81	114	2,079	527	3,411	29,965	36,177
Disposals	-	(322)	(1,170)	-	(117)	(319)	(1,928)
Transfers within PP&E	7,629	1,283	1,223	-	(10,135)	-	-
Transfer from Mineral Exploration	-	-	-	-	-	19,632	19,632
Balance as at December 31, 2023	\$ 26,824	\$ 7,194	\$ 207,329	\$ 8,688	\$ 4,247	\$ 599,491	\$ 853,773

Accumulated depreciation and impairment

Balance as at January 1, 2023	\$ 16,826	\$ 2,094	\$ 180,931	\$ 6,298	\$ -	\$ 396,007	\$ 602,156
Acquisition of IAMGOLD Brazil	-	434	-	-	-	-	434
Depreciation for the period	1,361	504	4,452	1,649	-	16,973	24,939
Impairment charges (reversals)	(349)	(177)	(929)	(30)	(172)	(7,278)	(8,935)
Disposals	-	(213)	(1,055)	-	-	-	(1,268)
Transfer from Mineral Exploration	-	-	-	-	-	6,018	6,018
Balance as at December 31, 2023	\$ 17,838	\$ 2,642	\$ 183,399	\$ 7,917	\$ (172)	\$ 411,720	\$ 623,344

Carrying amount

Balance as at December 31, 2023	\$ 8,986	\$ 4,552	\$ 23,930	\$ 771	\$ 4,419	\$ 187,771	\$ 230,429
--	-----------------	-----------------	------------------	---------------	-----------------	-------------------	-------------------

¹ As at March 31, 2024, the Company had equipment under right-of-use leases at a cost and net book value of \$11.0 million and \$3.8 million, respectively (December 31, 2023 - \$18.1 million and \$7.3 million, respectively).

² Refers to corporate office leasehold improvements and leased vehicles in Brazil.

³ Refers to construction in progress.

7. Mineral exploration projects

	Turmalina	Caeté	Onças de Pitangui	Total
Balance as at January 1, 2024	\$ -	\$ 13,991	\$ 6,445	\$ 20,436
Balance as at March 31, 2024	\$ -	\$ 13,991	\$ 6,445	\$ 20,436

Balance as at January 1, 2023	\$ 9,022	\$ 19,479	\$ -	\$ 28,501
Acquisition of IAMGOLD Brazil	-	-	6,445	6,445
Additions	4,122	-	-	4,122
Reclass to PPE	(13,144)	(470)	-	(13,614)
Impairment (charges)	-	(5,018)	-	(5,018)
Balance as at December 31, 2023	\$ -	\$ 13,991	\$ 6,445	\$ 20,436

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

8. Reclamation provisions

	December 31, 2023	Additions (reversals)	Accretion	Payments	Foreign exchange	March 31, 2024
Reclamation provision	\$ 27,484	\$ (484)	\$ 619	\$ (501)	\$ (841)	\$ 26,277
Less: current portion	4,298					3,646
Non-current portion	\$ 23,186					\$ 22,631

9. Legal and other provisions

As at March 31, 2024, the Company has recognized a provision of \$8.2 million (December 31, 2023 – \$8.4 million), representing management's best estimate of expenditures required to settle present obligations, as noted in the table below. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the outcome of the resolution of these matters.

	December 31, 2023	Additions	Reversals/ Transfers	Payments	Foreign exchange	March 31, 2024
Labour litigation	\$ 6,396	\$ 494	\$ (186)	\$ (239)	\$ (198)	\$ 6,267
Tax litigation	1,279	17	-	-	(39)	1,257
Civil litigation	287	99	-	(72)	(10)	304
Other provisions	388	5	-	-	(12)	381
Total legal and other provisions	\$ 8,350	\$ 615	\$ (186)	\$ (311)	\$ (259)	\$ 8,209
Less: current portion	5,068					5,033
Non-current portion	\$ 3,282					\$ 3,176

10. Capital stock

a) Common shares

The Company is authorized to issue an unlimited number of common shares. All issued shares are fully paid and have no par value. Changes in common shares for the years ended March 31, 2024 and 2023 are as follows:

	Number of shares	Amount
Balance as at December 31, 2023	79,066,665	\$ 574,000
Balance as at March 31, 2024	79,066,665	\$ 574,000
Balance as at December 31, 2022	72,452,927	\$ 566,716
Shares issued upon exercise of stock options	Note 10(b) 33,332	49
Shares issued upon redemption of deferred share units	Note 10(c) 148,060	502
Balance as at March 31, 2023	72,634,319	\$ 567,267

b) Stock options

The Stock Option Plan ("SOP") provides for the issuance of options to employees, directors, or officers of the Company, its subsidiary, or any of its affiliates, consultants, and management employees.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

The aggregate number of shares available at all times for issuance under the SOP shall not exceed 10% of the total issued and outstanding common shares of the Company (calculated on a non-diluted basis). Any option, which has been exercised, cancelled or forfeited, will again be available for grant under the SOP. The Board of Directors has the power to determine terms of any options and units granted under the Company's incentive plans, including setting exercise prices, vesting terms and expiry dates.

The following table shows the movement of stock options for the years ended March 31, 2024 and 2023:

	Number of options	Weighted average exercise price (C\$)
Balance as at December 31, 2023	993,792	\$ 2.59
Balance as at March 31, 2024	993,792	\$ 2.59
Balance as at December 31, 2022	1,012,082	\$ 2.77
Options granted ¹	28,329	2.85
Options exercised ²	(33,332)	1.00
Balance as at March 31, 2023	1,007,079	\$ 2.83

1) In the three months ended March 31, 2023, the Company granted 28,329 stock options to executives of the Company at a weighted average exercise price of C\$2.85 and expiry occurring eight years from the grant date.

2) In the three months ended March 31, 2023, officers and directors of the Company exercised a total 33,332 options with a weighted average exercise price of C\$1.00. The exercises were paid for with \$38,000 in cash proceeds to the Company, and as a result of the options exercised, the Company issued 33,332 common shares. The weighted average share price at the date of exercise of stock options during the three months ended March 31, 2023 was C\$2.63.

The following table sets out the details of the valuation of stock option grants for the three months ended March 31, 2023, measured using the Black-Scholes option pricing formula:

Grant date	Weighted average price (C\$)	Number of options	Risk-free interest rate	Expected Life (number of years)	Volatility Factor	Weighted average grant date fair value per option (C\$)
January 27, 2023 ¹	2.85	28,329	3.74%	4.00	64%	1.47

¹ 28,329 options are exercisable upon vesting and vest if and when the 15 day VWAP of the Company's shares reaches C\$4.28 per share.

The expected volatility was estimated using the Company's historical data from the date of grant and for a period corresponding to the expected life of the options.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

The table below shows the outstanding stock options as at March 31, 2024:

Weighted average exercise price (C\$)	Grant date	Number of options outstanding	Number of options exercisable	Estimated fair value at grant date (US\$ per option)	Expiry date
\$ 3.30	September 21, 2017	20,000	20,000	\$ 2.20	September 21, 2025
3.70	January 23, 2018	15,000	15,000	1.99	January 23, 2026
1.00	May 31, 2019	20,000	20,000	0.33	May 31, 2027
2.20	August 5, 2019	600,000	600,000	0.99	August 5, 2027
1.90	October 4, 2019	22,500	22,500	1.13	October 4, 2027
2.50	January 15, 2020	112,000	112,000	1.36	January 15, 2028
8.70	August 19, 2020	8,500	8,500	5.11	August 19, 2028
8.25	January 19, 2021	41,132	37,846	3.87	January 19, 2029
4.33	January 25, 2022	50,389	34,958	1.99	January 25, 2030
2.85	January 27, 2023	14,271	-	1.10	January 27, 2031
1.32	November 8, 2023	90,000	-	0.45	November 8, 2031
\$ 2.59		993,792	870,804	\$ 1.22	

For the three months ended March 31, 2024, the Company recognized \$7,000 in stock based compensation expense for stock options in the condensed interim consolidated statements of operations and comprehensive income (\$45,000, in the three months ended March 31, 2023).

c) Deferred share units – “DSUs”

The deferred share unit plan (“DSU Plan”) provides awards to employees, directors, or officers of the Company. DSU means a right to receive, on a deferred basis, previously unissued shares in accordance with the terms of the DSU Plan. DSUs granted to officers, executives, and employees are redeemable upon vesting. DSUs granted to directors are redeemable upon retirement and up to three to twelve months following retirement. Vested DSUs shall be redeemed in whole or in part for shares issued from treasury or, subject to the approval of the Company, cash. The Company accounts for these awards as equity awards. The maximum number of shares reserved for issuance under the DSU Plan, at any time, shall be 3,623,269.

The following table shows the movement of DSUs for the three months ended March 31, 2024 and 2023:

	Number of units	Weighted average grant date fair value (US\$)
Balance as at December 31, 2023	843,455	\$ 3.27
Balance as at March 31, 2024	843,455	\$ 3.27
Balance as at December 31, 2022	731,338	\$ 3.74
Units granted ¹	309,772	2.25
Units redeemed ²	(148,060)	3.39
Balance as at March 31, 2023	893,050	\$ 3.28

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

1) On January 27, 2023, the Company granted a total 309,772 DSUs to directors and executives of the Company holding a total grant date fair value of \$698,000, measured at US\$2.25/share, as follows:

- i. 12,195 performance-vested DSUs to executives of the Company, that shall vest if the Company's stock price reaches C\$4.28 measured on a 15-day VWAP basis.
- ii. 148,789 immediately-vested DSUs were granted to the Company's non-executive directors, all of which vested immediately.
- iii. 148,788 time-vested DSUs to non-executive directors, that vested on June 30, 2023.

2) In the three months ended March 31, 2023, officers and directors redeemed a total of 148,060 DSUs. The DSU redemptions were settled via issuance of 148,060 common shares, and the corresponding grant date fair value of \$502,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

For the three months ended March 31, 2024, the Company recognized \$2,000 in stock-based compensation expense for DSUs in the consolidated statements of operations and comprehensive income (\$374,000, in the three months ended March 31, 2023).

Subsequent to March 31, 2024, the Company granted 41,474 DSUs to each of the non-executive directors, totaling a grant of 290,318 DSUs, 50% of which vested immediately, with the remaining 50% vesting at the earlier between (i) the date of the next annual general meeting of shareholders or (ii) June 30, 2024. As the accounting recognition for these DSUs occurs as of the grant date, these awards have not had any impact on the condensed interim consolidated financial statements presented herein.

11. Basic and diluted earnings per share

Dollar amounts and share amounts in thousands, except per share amounts.

	Three months ended	
	March 31,	
	2024	2023
Numerator		
Net income for the purpose of basic and diluted income per share	\$ 2,827	\$ 2,473
Denominator		
Weighted average number of common shares outstanding - basic	79,066,665	72,564,246
Stock Options	9,305	159,836
Deferred share units	843,455	893,050
Weighted average number of common shares outstanding - diluted	79,919,425	73,617,132
Basic income per share	\$ 0.04	\$ 0.03
Diluted income per share	\$ 0.04	\$ 0.03

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

The determination of the weighted average number of common shares outstanding for the calculation of diluted earnings per share does not include the following effect of options and deferred shares units which were anti-dilutive to earnings per share in the period:

	Three months ended March 31,	
	2024	2023
Stock options	984,487	847,243
Anti-dilutive instruments	984,487	847,243

12. Operating costs

		Three months ended March 31,	
		2024	2023
Direct mining and processing costs	Note 3	\$ 17,401	\$ 19,550
Royalty expense and CFEM taxes ¹		914	1,062
Operating costs		\$ 18,315	\$ 20,612

¹ CFEM - Compensação Financeira pela Exploração Mineral taxes are Brazil mining royalty fees levied by the Federal government as financial compensation for mineral exploitation.

13. Other non-operating expenses (income)

		Three months ended March 31,	
		2024	2023
Interest income		\$ (261)	\$ (339)
Loss (gain) on disposition of property, plant and equipment	Note 14	1,018	(194)
Loss on sales of ICMS and other recoverable taxes		-	110
Changes in reclamation provisions for sites on care and maintenance ^(a)		(157)	(140)
Other non-operating (income) expense		(59)	101
Total other non-operating expenses (income)		\$ 541	\$ (462)

a) Refers to changes in reclamation provisions for sites on care and maintenance.

14. Cash flow – other operating activities – non-cash adjustments

		Three months ended March 31,	
		2024	2023
Stock-based compensation		\$ 9	\$ 419
Loss (gain) on disposition of property, plant and equipment	Note 13	1,018	(194)
Additions to provision against recoverability of VAT and other taxes	Note 4	85	106
Other operating activities expenses		\$ 1,112	\$ 331

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

15. Cash flow – changes in operating assets and liabilities

	Three months ended	
	March 31,	
	2024	2023
Restricted cash	\$ (107)	\$ (74)
Inventory	(77)	1,955
Recoverable taxes	(300)	2,538
Other accounts receivable	(285)	(753)
Prepaid expenses and other assets	(544)	(1,071)
Accounts payable and accrued liabilities	(113)	(2,421)
Other taxes payable	(245)	(211)
Reclamation provisions <i>Note 8</i>	(501)	(54)
Legal and other provisions <i>Note 9</i>	(311)	(132)
Changes in operating assets and liabilities	\$ (2,483)	\$ (223)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

16. Financial liabilities and other commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining undiscounted contractual maturities of the Company's financial liabilities and other commitments:

As at March 31, 2024	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Accounts payable and accrued liabilities	\$ 15,699	\$ -	\$ -	\$ -	\$ 15,699
Other Taxes Payable ^(a)					
ICMS Settlement Due	236	-	-	-	236
INSS	672	-	-	-	672
IRPJ & CSLL Settlement Due	248	128	-	-	376
Notes payable ^(b)					
Principal	3,128	-	-	-	3,128
Interest	36	10	-	-	46
Lease liabilities	1,519	647	-	-	2,166
Reclamation provisions ^(c)	4,058	11,635	4,228	18,458	38,379
Current tax liability	1,245	-	-	-	1,245
Total financial liabilities	\$ 26,841	\$ 12,420	\$ 4,228	\$ 18,458	\$ 61,947
Other Commitments					
Suppliers' agreements ^(d)	6,294	123	-	-	6,417
Insurance agreements ^(e)	448	90	-	-	538
Total other commitments	\$ 6,742	\$ 213	\$ -	\$ -	\$ 6,955
Total	\$ 33,583	\$ 12,633	\$ 4,228	\$ 18,458	\$ 68,902

^(a) Financial liabilities within Other taxes payable include state value-add taxes payable (*ICMS – Imposto sobre circulação de mercadorias e prestação de serviços*), payroll taxes payable (*INSS - Instituto Nacional do Seguro Social*), and federal income taxes payable (*IRPJ - Imposto de renda pessoa jurídica and CSLL - Contribuição social*).

^(b) Notes payable represents the principal on Brazilian short-term bank loans which are renewed in 180 day periods.

^(c) Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

^(d) Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares. The Company has the contractual right to cancel the mine operation contracts with 30 to 90 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 to 90 days.

^(e) Insurance premium commitments in accordance with the Company's liability and property insurance policies.

17. Capital disclosures

The Company manages its capital structure in order to support the acquisition, exploration and development of mineral properties, and to maximize return to stakeholders through a flexible capital structure which optimizes the costs of capital and the debt and equity balance. The Company sets the amount of capital in proportion to risk by managing the capital structure and making adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To adjust or maintain its capital structure, the Company may adjust the amount of long-term debt, enter into new credit facilities, issue new equity, or enter into new customer advance arrangements.

As at March 31, 2024, the Company's capital structure is composed of \$3.0 million in notes payable and \$243.1 million in shareholders' equity (December 31, 2023: \$3.3 million in notes payable and \$240.3 million in shareholders' equity). As at March 31, 2024 and December 31, 2023, the Company was not subject to externally imposed capital requirements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

18. Financial risk management and financial instruments

The Company's activities expose it to a variety of financial instrument risks, including but not limited to: credit risk, liquidity risk, currency risk, interest rate risk, and price risk.

a) Credit risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to recoverable tax claims and sales agreements, but does not expect any counterparties to fail to meet their obligations. The Company's cash and cash equivalents are held through large financial institutions in Brazil, Canada, and the United States of America. The Company manages its credit risk by entering transactions with high-credit quality counterparties, limiting the amount of exposure to each counterparty where possible, and monitoring the financial condition of the counterparties.

b) Liquidity risk

To manage its liquidity risk, the Company conducts an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factors are the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines. The Company's financial liabilities and other commitments are listed in Note 16.

c) Derivative financial instruments

The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy. On an ongoing basis, the Company evaluates its price risk and currency risk and, when envisioned to be beneficial, engages in derivative financial instruments to manage these risks, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts. As at March 31, 2024, the Company did not have any derivative positions outstanding (December 31, 2023 – nil positions outstanding).

1) Price risk

The Company is exposed to price risk with respect to gold prices on gold sales. The Company evaluates price risk and, when envisioned to be beneficial, may enter into hedge contracts to manage this risk and to secure future sales terms with customers. The Company does not use hedge accounting for these instruments and gain and losses are recorded in earnings as fair value changes occur as a component of revenue. In the three months ended March 31, 2024, the Company did not enter into any price hedge contracts (no price derivative contracts in the three months ended December 31, 2023).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

2) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include:

- Brazilian reais denominated cash and cash equivalents, other accounts receivable, recoverable taxes, restricted cash, accounts payable and accrued liabilities, lease liabilities, income taxes payable, reclamation provisions, and legal and other provisions;
- Canadian dollar denominated cash and cash equivalents, recoverable taxes and accounts payable and accrued liabilities, and
- Euro denominated lease obligations.

The Company may, at its discretion, use forward or derivative contracts to manage its exposure to foreign currencies. In the three months ended March 31, 2024, the Company did not enter into any foreign exchange forward or derivative contracts (nil foreign exchange derivative contracts in the three months ended March 31, 2023).

d) Interest rate risk

The Company is potentially exposed to interest rate risk on its outstanding borrowings and short-term investments. The Company managed its risk by entering into agreements with fixed interest rates on all of its notes payable with interest rates ranging from 6.7% to 6.9% per annum.

e) Inflation risk

The Company is exposed to risk with respect to inflation. Inflation risk refers to the potential for rising prices in an economy to erode the value of the purchasing power of the Company's cash over time. The Company manages its exposure to inflation risk through a detailed and continuous cost review and cash forecasting process.

f) Changes in liabilities arising from financing activities

	Changes from financing cash flows				Other changes				
	Balance as at January 1, 2024	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Lease liability additions	Foreign exchange (gain) loss	Other non- cash changes	Balance as at March 31, 2024
Notes payable	\$ 3,295	\$ 1,650	\$ (1,775)	\$ (56)	\$ 55	\$ -	\$ (34)	\$ (7)	\$ 3,128
Lease liabilities	2,545	-	(636)	(16)	49	-	(3)	-	1,939
	\$ 7,004	\$ 1,650	\$ (2,411)	\$ (72)	\$ 104	\$ -	\$ (37)	\$ (7)	\$ 6,231

19. Related party transactions

The Company incurred legal fees from Azevedo Sette Advogados ("ASA"), a law firm where Luis Miraglia, a director of Jaguar is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive income. Legal fees paid to ASA were \$25,000 for the three months ended March 31, 2024 (\$4,000 for the three months ended March 31, 2023).

The Company incurred office rent expenses from Orix Geoscience 2018 Inc. ("Orix"), a mineral exploration service firm where Shastri Ramnath, a director of Jaguar is the chief executive officer. Rent expenses paid to Orix were \$2,000 for the three months ended March 31, 2024 (\$nil for the three months ended March 31, 2023).