JAGUAR
MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
DECEMBER 31, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated annual audited financial statements for the year ended December 31, 2021, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). For further information on Jaguar Mining Inc., reference should be made to its public filings (including its most recently filed annual information form ("AIF") which is available on SEDAR at www.sedar.com). Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources and reserves, are contained in the Company's most recently filed AIF and technical reports.

All amounts included in this MD&A are in United States dollars ("$"), unless otherwise specified. References to C$ are to Canadian dollars and R$ are to Brazilian Reais. This report is dated as at March 21, 2022.

The Company included certain non-GAAP financial measures, which the Company believes that, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-GAAP financial measures in this MD&A include:

- *Cash operating costs (per ounce sold);*
- *Cash operating costs (per tonne of ore processed);*
- *All-in sustaining costs (per ounce sold);*
- *All-in costs (per ounce sold);*
- *Average realized gold price (per ounce sold);*
- *Cash operating margin (per ounce sold);*
- *All-in sustaining margin (per ounce sold);*
- *Adjusted operating cash flow;*
- *Earnings before interest, taxes, depreciation, and amortization ("EBITDA"), Adjusted EBITDA and adjusted EBITDA per share;*
- *Free cash flow (per ounce sold);*
- *Working Capital;*
- *Net cash and cash equivalents;*
- *Sustaining capital expenditures; and*
- *Non-sustaining capital expenditures.*

Definitions and reconciliations associated with the above metrics can be found in the Non-GAAP Performance Measures section of this MD&A.

Where we say "we," "us," "our," the "Company" or "Jaguar," we mean Jaguar Mining Inc. or Jaguar Mining Inc. and/or one or more or all of its subsidiaries, as it may apply. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period	Abbreviation	Period
FY 2021	January 1, 2021 – December 31, 2021	**FY 2020**	January 1, 2020 – December 31, 2020
Q1 2021	January 1, 2021 – March 31, 2021	**Q1 2020**	January 1, 2020 – March 31, 2020
Q2 2021	April 1, 2021 – June 30, 2021	**Q2 2020**	April 1, 2020 – June 30, 2020
Q3 2021	July 1, 2021 – September 30, 2021	**Q3 2020**	July 1, 2020 – September 30, 2020
Q4 2021	October 1, 2021 – December 31, 2021	**Q4 2020**	October 1, 2020 – December 31, 2020

OUR BUSINESS

Jaguar Mining Inc. (“Jaguar” or the “Company”) 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. The Company’s principal operating assets are located in the state of Minas Gerais and include the Turmalina Gold Mine Complex (Turmalina Gold Mine and plant) and Caeté Gold Mine Complex (Pilar Gold Mine, Roça Grande Gold Mine and Caeté plant). The Company also owns the Paciência Gold Mine Complex (“Paciência”), which has been on care and maintenance since 2012. Jaguar’s Brazilian assets and operations are held by Jaguar’s wholly owned subsidiary Mineração Serras dos Oeste EIRELI (“MSOL”).

Q4 2021 & FY 2021 FINANCIAL & OPERATING SUMMARY

($ thousands, except where indicated)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Financial Data				
Revenue	**$ 42,703**	$ 43,417	**$ 151,467**	$ 160,247
Operating costs	**18,838**	16,424	**70,337**	59,448
Depreciation	**5,089**	3,767	**21,092**	15,055
Gross profit	**18,776**	23,226	**60,038**	85,744
Net income	**13,687**	24,294	**34,190**	72,280
Per share ("EPS")[1]	**0.19**	0.34	**0.47**	1.00
EBITDA[2]	**19,022**	31,618	**64,064**	103,015
Adjusted EBITDA[2,3]	**18,523**	20,474	**66,454**	87,849
Adjusted EBITDA per share[1,2]	**0.26**	0.28	**0.92**	1.20
Cash operating costs (per ounce sold)[2]	**802**	705	**831**	647
All-in sustaining costs (per ounce sold)[2]	**1,127**	1,200	**1,215**	1,044
Average realized gold price (per ounce)[2]	**1,819**	1,863	**1,790**	1,745
Cash generated from operating activities	**9,581**	20,606	**45,036**	78,665
Free cash flow[2]	**8,168**	10,857	**24,079**	49,421
Free cash flow (per ounce sold)[2]	**348**	466	**284**	538
Sustaining capital expenditures[2]	**6,015**	9,848	**25,671**	29,463
Non-sustaining capital expenditures[2]	**4,279**	3,416	**12,500**	6,900
Total capital expenditures	**10,294**	13,264	**38,171**	36,363

[1] On August 27, 2020, the Company completed a share consolidation of its outstanding common shares on the basis of one (1) post-consolidation share for every ten (10) pre-consolidation shares.

[2] Average 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, and adjusted EBITDA per share 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.

[3] Adjusted 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.

	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Operating Data				
Gold produced (ounces)	**22,903**	22,533	**83,878**	91,118
Gold sold (ounces)	**23,479**	23,308	**84,638**	91,853
Primary development (metres)	**1,174**	1,871	**4,438**	7,085
Secondary development (metres)	**1,189**	667	**4,835**	2,641
Definition, infill, and exploration drilling (metres)	**27,818**	21,501	**89,181**	68,945

Financial and Operational Summary

Revenue, Production and Sales, Diamond Drilling, Operating Costs, Inflation update, Net (loss), Gold Production, COVID-19 update and Rainy Season

- Revenue for Q4 2021 decreased 2% to $42.7 million, compared with $43.4 million in Q4 2020, mainly due to a reduction in the average realized gold price of $1,819/oz in Q4 2021 as compared to $1,863/oz for Q4 2020.
- Consolidated gold production increased by 2% to 22,903 ounces in Q4 2021, compared to 22,533 ounces in Q4 2020, reflecting an increase of 9% in the average head grade of 3.81 g/t in Q4 2021, compared to 3.50 g/t in Q4 2020, partially offset by a 7% decrease in tonnes of ore processed from 228,000 in Q4 2020 to 213,000 in Q4 2021.
- Total definition, infill and exploration drilling was on plan at 27,818 metres, which was 29% higher than Q4 2020 metres drilled of 21,501.
- Operating costs totaled $18.8 million in Q4 2021 compared to $16.4 million in Q4 2020. The 15% increase in operating production costs is due to inflation, combined with increased secondary development, which is fully expensed as operating costs, from 667 metres in Q4 2020 to 1,189 metres in Q4 2021.
- Net Income was $13.7 million in Q4 2021 compared to net income of $24.3 million in Q4 2020 resulting in a decrease of $10.6 million. The change was due in large part to an impairment reversal of $14 million in 2020, compared to $nil in 2021.
- Gold ounces sold totaled 23,479 ounces for Q4 2021 which is in line with 23,308 ounces sold in Q4 2020.
- While the Company continued utilizing its COVID-19 Action Plan during Q4 2021, the operations have adapted to the safety rules and restrictions, and absenteeism has reduced to manageable levels. As at December 31, 2021, 97% of the Jaguar workforce had been partially or fully vaccinated. While COVID 19 cases increased during January 2022, the number of cases began ebbing by the end of the month. Shorter quarantining periods helped us to reduce the impact of the absenteeism.
- The rainy season in January 2022 impacted operations for about 8 days, with 4 days of complete shutdown in both mines. We expect to have a modest impact on production in Q1 2022, but no impact on our overall 2022 annual production guidance.

Cash Operating Costs[1], All-In-Sustaining Costs ("AISC")[1], Non-Sustaining Capital Expenditures[1], Operating Cash Flow and Free Cash Flow[1]

- Cash operating costs increased 14% to $802 from $705 per ounce of gold in Q4 2021 because of inflation and increased on secondary development metres compared to Q4 2020.
- All-in Sustaining Costs decreased to $1,127 per ounce of gold sold for Q4 2021, compared to $1,200 per ounce of gold sold for the same period in 2020 due to a reduction on sustaining capital expenditures from $9.8 million in Q4 2020 to $6 million in Q4 2021.
- Operating cash flow was $9.6 million for Q4 2021, compared to $20.6 million in Q4 2020. The change is due to a 2% lower average realized gold price of $1,819/oz in Q4 2021 compared to $1,863/oz for Q4 2020, combined with the increase of 14% in cash operating costs as explained above. Cash generated from operating activities included other operating activities expense of $4.6 million in payments for planned closure and rehabilitation of four tailings dams as the operations convert from tailings dams to dry stack tailings.
- Non-sustaining capital expenditures increased 25% from $3.4 million in Q4 2020 to $4.3 million in Q4 2021. The increase in non-sustaining capital expenditures includes the construction of projects, such as the tailings filtering system at the Pilar plant, as well as growth exploration drilling.
- Free cash flow was $8.2 million for Q4 2021 compared to $10.9 million in Q4 2020, and was impacted by operating cash flow and increased capital expenditures as described above. Free cash flow was $348 per ounce sold in Q4 2021 compared to $466 per ounce sold in Q4 2020.

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[1] This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

Cash Position and Working Capital[1]

- As of December 31, 2021, the Company had a cash and cash equivalents position of $40.4 million, compared to $38.9 million on December 31, 2020.
- As of December 31, 2021, working capital was $32 million, compared to $29.2 million on December 31, 2020, which includes $3 million (December 31, 2020 – $3.1 million) in short term loans from Brazilian banks, which mature and renew every six months and are expected to be rolled forward.

Q4 2021 Quarterly Dividend

- The Company is also pleased to announce that its Board of Directors has declared a cash dividend of C$0.04 per common share of the Company, to be paid on March 31, 2022, to shareholders of record as of the close of business on March 25, 2022. The dividend qualifies as an eligible dividend for Canadian income tax purposes.
- The Board of Directors intends to review, among other things, the Company's budget, cash flow forecast and existing market conditions on a quarterly basis in order to determine whether any additional dividends will be declared on Shares for subsequent quarters.

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[1] This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

REVIEW OF OPERATING AND FINANCIAL RESULTS

Jaguar Mining Gold Production

($ thousands, except where indicated)	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Tonnes of ore mined	**216,000**	228,000	(5%)	**861,000**	806,000	7%
Tonnes of ore processed	**213,000**	228,000	(7%)	**856,000**	804,000	6%
Average head grade (g/t)1	**3.81**	3.50	9%	**3.47**	3.99	(13%)
Average recovery rate (%)	**88%**	88%	0%	**88%**	88%	(1%)
Gold (oz.)						
Produced	**22,903**	22,533	2%	**83,878**	91,118	(8%)
Sold	**23,479**	23,308	1%	**84,638**	91,853	(8%)

[1] The 'average head grade' represents the recalculated head-grade milled.

Gold production increased 2% in Q4 2021 with 22,903 ounces, compared to 22,533 ounces produced in Q4 2020, mainly due to a 9% increase in the average head grade from 3.50 g/t in Q4 2020 to 3.81 g/t in Q4 2021, partially offset by 7% decrease in tonnes of ore processed from 228,000 in Q4 2020 to 213,000 in Q4 2021. For the FY 2021, gold production decreased 8% to 83,878 ounces, compared to 91,118 ounces produced in FY 2020, mainly due to a 13% decrease in the average head grade from 3.99 g/t in FY 2020 to 3.47 g/t in FY 2021, partially offset by 6% increase in tonnes of ore processed from 804,000 in FY 2020 to 856,000 in FY 2021.

Turmalina Gold Mine Complex

Turmalina Quarterly Production

($ thousands, except where indicated)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Tonnes of ore mined	**101,000**	105,000	96,000	108,000	113,000	82,000	103,000	75,000
Tonnes of ore processed	**101,000**	103,000	100,000	105,000	111,000	81,000	104,000	75,000
Average head grade (g/t)[1]	**3.55**	3.49	3.01	2.84	3.27	4.40	3.41	4.37
Average recovery rate (%)	**88%**	89%	88%	89%	87%	90%	88%	90%
Gold (oz.)								
Produced	**10,142**	10,265	8,581	8,517	10,180	10,370	10,031	9,487
Sold	**10,476**	10,057	8,846	8,427	10,060	10,462	10,836	8,853
Cash operating cost (per oz. sold)[2]	**$ 861**	$ 847	$ 944	$ 880	$ 693	$ 617	$ 653	$ 684
All-in sustaining cost (per oz. sold)[2]	**$ 1,201**	$ 1,252	$ 1.388	$ 1,167	$ 1,277	$ 1,035	$ 956	$ 1,191

[1] The 'average head grade' represents the recalculated head-grade milled.

[2] Cash operating costs, average realized cost and All-in sustaining costs 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.

During Q4 2021, Turmalina production of 10,142 ounces was in line with the same period in 2020 with 10,180 ounces. The average head grade increased from 3.27 g/t in Q4 2020 to 3.55 g/t in Q4 2021, which was partially offset by a decrease of 9% in the tonnes of ore processed from 111,000 in Q4 2020 to 101,000 in Q4 2021. The cash operating cost per ounce sold for the fourth quarter of 2021 increased by 24%, or $168 per ounce, as compared to Q4 2020, due to higher consumption of materials and inflationary impacts on consumables and labour costs compared to Q4 2020.

Turmalina Capital Expenditures

($ thousands)	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
Sustaining capital[1]				
Primary development	**$ 2,557**	$ 3,460	**$ 9,572**	$ 13,668
Brownfield exploration	**197**	164	**661**	451
Mine-site sustaining	**808**	2,256	**3,741**	3,909
Total sustaining capital[1]	**3,562**	5,880	**13,974**	18,028
Mine-site non-sustaining	**926**	194	**2,770**	1,130
Asset retirement obligation (Dam closing project)	**1,585**	-	**3,474**	-
Total non-sustaining capital[1]	**2,511**	194	**6,244**	1,130
Total capital expenditures	**$ 6,073**	$ 6,074	**$ 20,218**	$ 19,158

[1] Sustaining and non-sustaining capital are non-IFRS financial measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Primary development	**849**	1,034	**2,948**	4,410
Primary development	**732**	1,034	**2,831**	4,410
Exploration development	**117**	-	**117**	-
Secondary development	**577**	295	**2,505**	1,245
Total development	**1,426**	1,329	**5,453**	5,655
Definition drilling	**-**	1,378	**2,226**	7,781
Infill drilling	**4,834**	4,139	**16,047**	11,219
Exploration drilling	**12,145**	5,688	**28,429**	19,557
Total definition, infill, and exploration drilling	**16,979**	11,205	**46,702**	38,557

Mining

Located 1.5 hours west of Belo Horizonte, Turmalina is an underground mine that predominantly utilizes sub-level stoping as a mining method. Backfilling is completed using loose rockfill or cemented paste depending upon the situation. Turmalina is adapting its production profile to utilize the C orebodies on a much larger scale than in prior years. While the team is learning the needed practices to produce at significant rates from the C orebody, the mine is gaining flexibility and capacity as mining areas increase.

Turmalina produced 10,142 ounces in Q4 2021, in line with the gold production in Q3 2021. Run-of-mine tonnage was 94% of plan, coming mainly from shallower parts of the C-zone. Development is being completed by both Jaguar crews and the mining contractor Toniolo Busnello ("TBSA"). Q4 2021 total development of 1,426 metres was slightly below the 1,508 metres from Q3 2021. Development of the ramp in the A-zone had reached the A15.3 sublevel. During Q4 2021, Jaguar continued to focus its development mainly in C-zone to allow operations in shallower parts of the mine.

Workforces that were reduced onsite, including TBSA, in early 2021 due to the restrictions imposed by the government to reduce people circulating during the peak of the pandemic, had fully returned to normal operations by the end of Q2 2021. While the Company continues to utilize its COVID-19 Action Plan, the operations adapted to the restrictions, and absenteeism reduced to manageable levels during Q4 2021. In early January 2022, Brazil started seeing another spike of COVID-19 with the Omicron variant, the number of cases began ebbing by the beginning of February. Shorter quarantining periods helped us to reduce the impact of the absenteeism.

In Q1 2021, an adjusted mining method was applied for the upper portions of C-zone to increase mine recovery and reduce mining cost in that area of the mine. The new mining system in place improved the waste/ore ratio, especially by reducing development in waste. A major part of the stopes of Q4 2021 were mined in C-zone, increasing the production of ounces coming from this shallow area of the mine

The team continued investing in reserve definition throughout the year. In-mine diamond drilling continues to be stepped up to identify several potential opportunities to grow Turmalina's resources, as well as ensuring sustainable resource addition and reserve conversion. Two sets of smart diamond drill rigs, acquired to improve drilling productivity underground were fully commissioned onsite in Q2 2021 and are showing good performance and operational results.

During 2021 The Company dedicated efforts and was able to identify opportunities in the form of data and perspective for starting key projects on site or near the Turmalina mine to improve and stabilize production in the coming years. At Turmalina, the team started a project to develop the northwest trend of the CNW ore body at shallow levels beginning on Level 1, named Project Northwest. In Q4 2021, over 300 metres were completed in Project Northwest, where two ramps and ventilation drifts are being developed to connect Turmalina to Faina, an orebody located 900 metres away from Turmalina underground. After analyzing exploration results, the Company is going to initiate a pre-feasibility study on the Faina resource to add mining capacity at Turmalina.

Processing

The processing plant at Turmalina is onsite, and the C-zone portal is within 200 metres of the crusher. The plant begins with primary and secondary crushing that feeds a crushed ore bin. The ore bin can feed any of the three ball mill circuits. The total milling capacity exceeds 3,000 tonnes per day. The plant currently operates only Mill #3, supplemented by Mill #1 when needed, which can easily handle current and expected mined tonnage rates. The ball mills provide ground ore to the carbon-in-pulp ("CIP") circuit. Recoveries have historically been at approximately 90%. The plant operations continue working toward ongoing improvements to stabilize operations, focusing on costs reduction at the optimal possible rate. Tails are sent to a filtration system from which they can be provided to the paste plant for backfill, or to a dry stack area. During Q4 2021, Turmalina concluded the closure of its tailings dam project which started in Q2 2021. All tailings produced by the plant are being filtered and stacked in the dry stack facility already available in Turmalina.

Turmalina Surface Exploration

During 2021, Jaguar continued to accelerate exploration activities across its portfolio of growth projects. Increased investments in manpower and drilling to date have successfully moved a number of key projects towards mineral resource delineation and or important decision points. Faina Metallurgical Testwork has confirmed potential economic recoveries from floatation processes, and the team is progressing conceptual work to underpin a decision to move the project towards commencement of a prefeasibility study ("PFS") during early 2022. In parallel with infill drilling designed to convert the Faina Mineral Resource to Indicated or better status, the PFS will be implemented to define mining methods, treatment routes, and changes required on the plant circuit at MTL to receive ore from Faina. The Faina deposit currently has a total M&I Mineral Resource of some 400,000 ounces of gold at a grade of 7 g/t Au (refer to AIF December 31, 2020). During Q4 2021, the Company started to develop from Turmalina to Faina along the structural trend of Turmalina's current orebodies. This project is expected to open additional mineral resources along trend, as well as provide access to the Faina deposit directly from the Turmalina Mine. Among several programs on properties adjacent to the mine, an 8000-metre reverse circulation drilling program was concluded at the Zona Basal Target in Q4 2021, a near surface, oxide target 3 km from the Turmalina Mill.

Caeté Gold Mine Complex

Caeté Complex Quarterly Production

The Caeté Mining Complex ("Caeté") includes the Pilar Gold Mine, the Caeté Processing Plant and the Roça Grande Gold Mine ("Roça Grande"). On March 22, 2018, Roça Grande was placed on care and maintenance. Ore from Pilar is trucked a total distance of approximately 40 kilometres by road to the Caeté plant, which has a capacity of 2,200 tonnes per day and includes gravity, flotation and CIP processing.

Pilar Quarterly Production

($ thousands, except where indicated)	**Q4 2021**	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Tonnes of ore mined	**115,000**	119,000	113,000	104,000	115,000	105,000	109,000	104,000
Tonnes of ore processed (t)	**112,000**	119,000	114,000	102,000	117,000	111,000	104,000	101,000
Average head grade (g/t)[1]	**4.04**	3.68	3.65	3.37	3.73	4.39	4.59	3.98
Average recovery rate (%)	**88%**	88%	87%	87%	88%	88%	87%	89%
Gold (oz.)								
Produced	**12,761**	12,338	11,631	9,643	12,353	13,724	13,452	11,521
Sold	**13,003**	13,190	11,389	9,250	13,248	12,473	14,134	11,787
Cash operating cost (per oz. sold)[2]	**$ 755**	$ 823	$ 791	$ 790	$ 714	$ 612	$ 535	$ 699
All-in sustaining cost (per oz. sold)[2]	**$ 935**	$ 1,000	$ 1,043	$ 1,193	$ 1,013	$ 822	$ 732	$ 875

[1] The 'average head grade' represents the recalculated head-grade milled.

[2] Cash operating costs, average realized cost and All-in sustaining costs 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.

During Q4 2021, Pilar produced 12,761 ounces of gold compared to 12,353 ounces in Q4 2020, an increase of 3%, mainly due to the increase of 8% in average head grade from 3.73 g/t in Q4 2020 to 4.04 g/t in Q4 2021, partially offset by a 4% decrease in tonnes of ore processed from 117,000 in Q4 2020 to 112,000 in Q4 2021. The cash operating cost per ounce sold for Q4 2021 increased 6% as compared to Q4 2020, mainly due to higher consumption of materials and inflation of prices of consumables and labour costs.

Pilar Capital Expenditures

($ thousands, except where indicated)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Sustaining capital[1]				
Primary development	**$ 1,572**	$ 2,619	**$ 6,128**	$ 7,779
Brownfield exploration	**119**	121	**381**	253
Mine-site sustaining	**646**	1,228	**4,760**	3,403
Total sustaining capital[1]	**2,337**	3,968	**11,269**	11,435
Mine-site non-sustaining	**936**	2,890	**3,112**	5,110
Asset retirement obligation (Dam closing project)	**495**	-	**518**	-
Total non-sustaining capital[1]	**1,431**	2,890	**3,630**	5,110
Total capital expenditures	**$ 3,768**	$ 6,858	**$ 14,899**	$ 16,545

[1]Sustaining and non-sustaining capital are Non-GAAP financial measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

(metres)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Primary development	**609**	837	**1,774**	2,675
Primary development	**442**	837	**1,607**	2,675
Exploration development	**167**	-	**167**	-
Secondary development	**612**	372	**2,330**	1,396
Total development	**1,221**	1,209	**4,104**	4,071
Definition drilling	**1,084**	1,215	**1,961**	4,838
Infill drilling	**2,279**	2,042	**5,831**	4,312
Exploration drilling	**7,476**	7,039	**26,387**	20,690
Total definition, infill, and exploration drilling	**10,839**	10,296	**34,179**	29,840

Mining

Located two hours east of Belo Horizonte, Pilar is an underground mine that predominantly utilizes sub-level stoping as a mining method. Backfilling is completed using loose rockfill, which is utilized exclusively at this mine. Pilar mine production had a continuous and sustainable increase from 2017 to 2020. However, this cycle was interrupted in 2021 due to the COVID-19 pandemic, which has hit the operation in the first quarter of 2021. Strong ground conditions have allowed for fairly large stoping blocks to be removed, providing large productive mining cycles. To ensure adequate work conditions and improve productivity underground, a new exhaust system was constructed at Pilar in Q4 2021.

The performance at Pilar continued to improve significantly during Q4 2021 in comparison to the results obtained during the first half of the year. The mining team produced just over 4,000 ounces per month in Q4 2021, totalling 12,761 ounces, an increase of 3% in comparison with Q3 2021. Pilar also processed good tonnage, averaging over 37,000 tonnes per month in Q4 2021 with a head grade of 4.05g/t, which is close to reserve levels.

The development rate in Q4 2021 was adequate to maintain several sublevels of development in front of the planned mining sequence. This provides flexibility to adapt to mining issues, and the ability to continue meeting and exceeding ounce production targets in a sustainable manner. Pilar utilizes an external contractor in the lowest portion of the mine for development, extending the main ramp and developing new sub-levels. Jaguar crews develop metres in the areas of active mining. The mine initiated a new development project (Project Southwest – "SW") to increase access to and to grow the southwest ore system. Stoping activities on level 9 this year have indicated potential continuity from the second through eighth levels. In Q4 2021, over 200 metres were developed in four different levels on Project Southwest, and we have budgeted to complete approximately 1,000 metres in 2022. Project Southwest has 170,000 ounces of measured, indicated, and inferred resources at approximately 4 g/t (see AIF December 31, 2020).

Processing

Ore is processed at Jaguar's Caeté processing plant, which is located approximately 40 km from Pilar. The plant utilizes gravity recovery which recovers about 50% of the gold, followed by a flotation circuit and leaching of the flotation concentrate in a CIP circuit. Historic recoveries have commonly ranged from 85 to 90%. The plant has capacity for approximately 2,200 tonnes per day, and a significant opportunity is available for additional feed. The non-sulfide tails (flotation tails) are dry-stacked, and leach tails are sent to the Moita Dam. At the Caeté plant, the restrictions relating to the pandemic impacted the implementation of several projects, including the construction of the leach flotation filtration plant after which leach tailings will also be dry stacked. In the later part of Q2 2021, the Caeté plant experienced a notable reduction in pandemic infection rates, allowing the full resumption of the construction of capital projects such as the tailings filtering system and we expect that this project will be completed by the end of Q1 2022.

Pilar Exploration

During 2021, Exploration activities supporting Caete´s milling facilities were progressed within and near to the Pilar Mine as well as areas contiguous to the Caete Mill itself. At Pilar diamond drilling focused on a new cycle of resource delineation throughout the mine – predominately targeting the SW and Torre mineralized structures at shallow depths and the BIF mineralized structures extending to depth below the current deepest mining levels. At Caete mining complex, a maiden (potentially open-pit mineable) mineral resource will be published for the Córrego Brandão Project in March 2022. Generative exploration activities continue to target priority areas within and contiguous to the Pilar Mine.

CONSOLIDATED FINANCIAL RESULTS

Quarterly Financial Review

($ thousands except where indicated)	**Q4 2021**	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	**$ 42,703**	$ 40,748	$ 36,330	$ 31,686	$ 43,417	$ 43,494	$ 42,536	$ 28,895
Operating cost	**(18,838)**	(19,373)	(17,365)	(14,761)	(16,424)	(19,373)	(14,638)	(14,297)
Depreciation	**(5,089)**	(5,608)	(5,636)	(4,759)	(3,767)	(5,608)	(4,023)	(3,625)
Gross profit	**18,776**	15,767	13,329	12,166	23,226	18,513	23,875	12,879
Net income	**13,687**	11,415	2,980	6,109	24,294	16,534	19,178	12,275
Cash flows from operating activities	**9,581**	16,354	12,634	6,466	20,606	21,919	27,505	8,634
Total assets	**270,010**	255,301	249,122	246,875	249,766	228,450	212,678	199,198
Total liabilities	**58,581**	55,237	58,554	54,660	60,066	58,331	53,088	58,120
Non-current financial liabilities	**27,740**	27,522	29,813	27,890	28,811	28,135	27,789	30,815
Current income taxes	**-**	3,491	2,552	1,894	3,213	5,343	3,932	2,046
Notes payable	**$ 3,027**	$ 3,023	$ 3,037	$ 3,017	$ 3,058	$ 3,219	$ 4,276	$ 5,959

Revenue

($ thousands, except where indicated)	Three months ended December 31,			Year ended December 31,		
	2021	2020	Change	**2021**	2020	Change
Revenue	**$ 42,703**	$ 43,417	(2%)	**$ 151,467**	$ 160,247	(5%)
Ounces sold	**23,479**	23,308	1%	**84,638**	91,853	(8%)
Average realized gold price[1]	**$ 1,819**	$ 1,863	(2%)	**$ 1,790**	$ 1,745	3%
Average market gold price[1]	**$ 1,795**	$ 1,874	(4%)	**$ 1,799**	$ 1,769	2%

[1] Average realized gold price and average maket gold price, are a non-IFRS financial performance measure with no standard definition under IFRS. For further information, refer to the Non-IFRS Financial Performance Measures section of the MD&A.

Revenue for Q4 2021 decreased 2% compared to the same period in 2020, primarily due to a 2% decrease in average realized gold price from $1,863/oz in Q4 2020 to $1,819/oz in Q4 2021. The ounces sold remained in line with the comparative periods. In the fourth quarter of 2021, the market price of gold (London PM Fix) traded at an average $1,795 per ounce, varying between $1,753 and $1,865, and closed at $1,806 per ounce on December 31, 2021. The average realized price of $1,819 per ounce for Q4 2021, is in line with the average market price.

For the full year of 2021, revenue decreased 5% compared to the same period in 2020, primarily due to an 8% reduction in the ounces sold from 91,853 ounces in 2021 to 84,638 ounces in the same period of 2021, partially offset by a 3%

increase in average realized gold price from $1,745/oz in 2020 to $1,790/oz in 2021. During 2021, the market price of gold (London PM Fix) traded in a range of $ 1,684–$1,943, averaged $1,799 per ounce, and closed at $1,806 per ounce on December 31, 2021. The average realized price of $1,790 per ounce for the full year of 2021, is in line with the average market price.

Consolidated Production Costs

($ thousands, except where indicated)	Three months ended December 31, 2021	2020	Change	Year ended December 31, 2021	2020	Change
Direct mining and processing cost	**$ 17,423**	$ 15,041	16%	**$ 66,034**	$ 54,295	22%
Mining	**11,279**	9,615	17%	**42,535**	33,613	27%
Processing	**6,144**	5,426	13%	**23,499**	20,682	14%
Royalties, production taxes and others	**1,415**	1,383	2%	**4,303**	5,153	(16%)
Royalty expense and CFEM taxes	**1,413**	1,320	7%	**4,565**	5,049	(10%)
Others	**2**	63	(97%)	**(262)**	104	(352%)
Total operating expenses	**$ 18,838**	$ 16,424	15%	**$ 70,337**	$ 59,448	18%
Depreciation	**5,089**	3,767	35%	**21,092**	15,055	40%
Total cost of sales	**$ 23,927**	$ 20,191	19%	**$ 91,429**	$ 74,503	23%

Total operating expenses increased 15% from $16.4 million in Q4 2020 to $ 18.8 million in Q4 2021. Mining costs increased 17% as a result of inflation of costs offset by a 5% decrease in tons mined. Processing costs increased 13% primarily due to inflation. Mining cost was also impacted by a 78% increase in secondary development (1,189 meters vs 667 meters)

Total operating expenses increased 18% in FY 2021 compared to FY 2020. Mining costs increased by 27%, as a result of 7% more tons mined, and due to inflation. Mining cost was also impacted by an 83% increase in secondary development (4,835 meters vs 2,641 meters). The increase in secondary development meters is due to a mining design change to replace primary footwall waste development with added secondary development in the ore structure. The design change results in similar total development meters but with added revenue from additional ore tons at a lower average grade. Processing costs increased by 14% in FY 2021 compared to FY 2020 primarily due to inflation.

Unit price increases in Brazilian Real during 2021 have ranged from 25% to 35% for many of the key consumables including diesel, explosives, cyanide, and copper sulfate. This was mitigated by approximately 7% in US$ terms during 2021 as a result of the devaluation of the Brazilian Real compared to the US dollar.

The depreciation cost increased 35% and 40%, to $5.1 million in Q4 2021 and $21.1 million in FY 2021, respectively, as a reflection of a higher asset value resulting from a $14 million impairment reversal in Q4 2020.

Care and Maintenance Costs

The Paciência Gold Mine Complex has been on care and maintenance since 2012 the Roca Grande Mine has been on care and maintenance since 2018. Care and maintenance costs were $0.2 million in Q4 2021 ($0.3 million Q4 2020), and $1 million FY 2021 ($0.8 million FY 2020).

General and Administration Expenses

General and administration ("G&A") expenses exclude mine-site administrative costs that are charged directly to operations and include legal, accounting, costs to maintain offices and personnel in Belo Horizonte, Brazil and Toronto, Canada, and other corporate costs associated with being a publicly traded Company.

	Three months ended December 31, 2021	2020	Change	Year ended December 31, 2021	2020	Change
Directors' fees	**$ 92**	$ 75	23%	**$ 339**	$ 297	14%
Audit related and insurance	**285**	284	0%	**1,185**	1,185	0%
Corporate office (Toronto)	**266**	276	(4%)	**1,424**	1,476	(4%)
Belo Horizonte office	**864**	560	54%	**2,755**	2,758	(0%)
Total G&A expenses	**$ 1,507**	$ 1,195	26%	**$ 5,703**	$ 5,716	(0%)

For Q4 2021, total G&A expenses increased 26% compared Q4 2020. Costs associated with the Belo Horizonte office increased 54% due to labour cost accruals. For the full year of 2021, G&A expenses remained materially consistent with the same period of 2020.

Legal Provisions and Value-Added Tax ("VAT")

($ thousands)	Three months ended December 31,			Year ended December 31,		
	2021	2020	Change	**2021**	2020	Change
Legal and other provisions expense	**$ 160**	$ 132	21%	**$ 855**	$ 568	51%
Provision (Reversals) against recoverability of VAT and other taxes	**(170)**	170	(200%)	**503**	603	(17%)
Total legal, recoverable tax and other provisions expenses	**$ (10)**	$ 302	(103%)	**$ 1,358**	$ 1,171	16%

Legal and other provision expenses increased 21% to $0.2 million in Q4 2021 compared to $0.1 million in Q4 2020, mainly due to more significant environmental civil claims received in 2021 which, upon assessment, are deemed to have a probable likelihood of loss. The Company noted increased activity from the regulatory agencies as the pandemic measures eased up in 2021 compared to 2020. For the FY 2021, legal and other provision expenses increased 51% to $0.9 million in 2021 compared to $0.6 million in 2020, primally due to the advance on labour litigation in 2021, compared to 2020, since the court was closed for a few periods in 2020 during the COVID-19 peak, combined with the environmental civil claims mentioned before.

Provision (reversal) against recoverability of VAT and other taxes presented a $0.2 million net recovery in the fourth quarter of 2021 compared to a $0.2 million net provision expense in the same period of 2020. The 200% decrease is due mainly to state VAT tax credits written off in Q4 2021 which resulted in a $0.3 million reversal of the associated provision against state VAT taxes. For the FY 2021, Provision (reversal) against recoverability of VAT and other taxes decreased 17% to $0.5 million, compared to $0.6 million in 2020, due mainly to state VAT tax credits written off in 2021 which resulted in a reversal of the associated provision against state VAT taxes.

Impairment

The Turmalina, Caeté, and Paciência projects are each CGUs which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production. A CGU is generally an individual operating mine or development project.

As at December 31, 2021 and December 31, 2020, the Company assessed each CGU for indicators of potential impairment or potential reversal to impairment. In the event such indicators were identified, the Company proceeded to compare the CGU's carrying value to the recoverable amount determined. The recoverable amount was determined to be the fair value less costs to dispose ("FVLCD") and the Company's estimate of the FVLCD is classified as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique.

The significant assumptions used in determining the recoverable amount of the project were life of mine (LOM) future production profiles, future gold prices, proven and probable reserves and estimated amount of resources, discount rates, foreign exchange rates, and capital expenditures. LOM plans are typically developed annually and are based on management's current best estimates of optimized mine and processing plans, future operating expenditures and capital costs, and income taxes. The Company bases its future gold price estimate with reference to forward prices and industry analyst consensus.

As at December 31, 2021 and December 31, 2020, the following were the indicators for potential impairment or potential reversal to impairment identified:

Turmalina

As at December 31, 2021, the Company identified operating results less favorable than those forecasted as an indicator for potential impairment at the Turmalina CGU.

The Company compared the Turmalina CGU's carrying value to its recoverable amount determined and, using the following key assumptions in determining the recoverable amount: gold prices, quantities of recoverable reserves and resources and future mineral production, and discount rate.

The gold price estimates used to calculate recoverable amounts as at December 31, 2021 were $1,740 for 2022, $1,700 for 2023, and $1,625 from 2024 to 2026, and $1,600 for 2027 and beyond. Quantities of recoverable reserves and resources and future mineral production was included in projected cash flows based on mineral reserve and resources estimates, undertaken by qualified persons. A post-tax discount rate of 7.4% was used to calculate the present value of the estimated future cash flows from the operation.

Based on the results of its assessment as at December 31, 2021, the Company concluded no impairment charges were considered necessary.

As at December 31, 2020, based on its assessment made, the Company recorded an impairment reversal of $10.9 million for Turmalina with $8.1 million allocated to property, plant and equipment and $2.8 million allocated to mineral exploration projects.

Pilar

As at December 31, 2021, no indicators of impairment for Pilar were identified. As at December 31, 2020, based on its assessment made, the Company recorded an impairment reversal of $3.1 million for Pilar with $2.5 million allocated to property, plant and equipment and $0.6 million allocated to mineral exploration projects.

Non-Operating Expenses (Recoveries)

($ thousands)	**Three months ended December 31,**			**Year ended December 31,**		
	2021	2020	Change	**2021**	2020	Change
Foreign Exchange (Gain) loss	**$ (577)**	$ 2,082	(128%)	**$ (1,698)**	$ (4,018)	(58%)
Financial instruments loss	**-**	-	100%	**-**	476	(100%)
Finance (recoveries) costs	**227**	325	(30%)	**776**	1,043	(26%)
Other non-operating expenses	**1,432**	2,838	(50%)	**3,720**	2,609	43%
Non-operating expenses	**$ 1,082**	$ 5,245	(79%)	**$ 2,798**	$ 110	2444%

A significant portion of the Company's expenditures at its Brazilian operation are denominated in the Brazilian Real. The gain of $0.6 million in foreign exchange in Q4 2021, compared to $2 million loss in Q4 2020, is a result of the devaluation and valuation, respectively, of the Brazilian Real as compared to the US dollar.

Other non-operating expenses decreased 50% to $1.4 million in Q4 2021, compared to $2.8 million in Q4 2020, mainly due to (i) $1.4 million fewer write-offs on disposals of ICMS and other recoverable taxes in Q4 2021. For the full year of 2021, other non-operating expenses increased 43% to $3.7 million, compared to $2.6 million in FY 2020, mainly due to (i) a $1.7 million loss on sale of the CentroGold royalty interest recorded in FY 2021, combined with (ii) a $0.7 million more losses on dispositions of property and other expenses in FY 2021, partially offset by (iii) $1.3 million fewer write-offs of ICMS and other recoverable taxes recorded in FY 2021.

Taxes

Brazilian Taxes

Brazilian tax regulation involves three jurisdictions and tax collection levels: federal, state and municipal. The main taxes levied are: corporate income tax with companies generally subject to income tax at a rate of 25%, social contribution tax on the net profit at a current rate of 9%, value-added taxes at a rate of 9.25% for PIS/COFINS and 12–18% for ICMS.

PIS and COFINS are federal taxes imposed monthly on gross revenue earned by legal entities. The calculation method is, in the Company's case, non-cumulative, under which PIS and COFINS are levied on gross revenue at 1.65% and 7.6%, respectively, with deductions of input tax credits for expenses strictly connected to the Company's business and prescribed by the regulating laws. The export of goods and services are exempt provided funds effectively enter the country. PIS and COFINS are due on importations of goods and services from abroad (PIS-Import and COFINS-Import).

As of December 31, 2021, the Company's $8.2 million withholding tax provision remained outstanding (December 31, 2020 – $8.2 million).

Government and Beneficiaries Royalty

Compensação Financeira pela Exploração de Recursos Minerais ("CFEM") is a 1.5% Brazilian government royalty levied on gross gold sales less refining charges and insurance, as well as any applicable sales taxes that are calculated on gross revenue only.

Income Tax Expenses

($ thousands)	Three months ended December 31,			Year ended December 31,		
	2021	2020	Change	**2021**	2020	Change
Current income tax expense	**$ -**	$ 3,213	-100%	**$ 7,939**	$ 14,536	-45%
Income tax expense	**$ -**	$ 3,213	-100%	**$ 7,939**	$ 14,536	-45%

The current income tax expense relates to taxable income in Brazil. At the beginning of the year, MSOL had significant accumulated tax loss carryforwards; however, under Brazilian tax legislation, only 30% of taxable income can be applied against tax loss carryforwards each year.

The income tax provision is subject to a number of factors, including the allocation of income between different countries, different tax rates in various jurisdictions, the non-recognition of tax assets, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, it is expected that the Company's effective tax rate will fluctuate in future periods.

For the fourth quarter of 2021, current income tax expense was $nil compared to $3.2 million in the same period of 2020. The decrease of 100% was achieved mainly through a Brazil tax election made to treat historical unrealized foreign exchange losses as tax deductible in Q4 2021 which resulted in a taxable loss in the period.

For the full year of 2021, current income tax expense was $7.9 million compared to $14.5 million in the same period of 2020. The decrease of 45% is explained by (i) a 5% decrease in revenue, (ii) a 23% increase in production costs due mainly to inflation in 2021, and (iii) a Brazil tax election made which resulted in a $nil current income tax expense in Q4 2021, as described above.

REVIEW OF FINANCIAL CONDITION

Outstanding Debt, Liquidity and Cash Flow

As of December 31, 2021, the Company had a working capital of $32 million ($29.2 million as of December 31, 2020, including $3 million in loans from Brazilian banks ($3.1 million as of December 31, 2020), which mature every six months and are expected to continue to be rolled forward.

($ thousands)	**December 31, 2021**	December 31, 2020
Cash and cash equivalents	**$ 40,373**	$ 38,908
Non-cash working capital		
Other current assets:		
Restricted cash	**501**	1,091
Inventory	**14,546**	12,529
Recoverable taxes	**5,143**	4,944
Other accounts receivable	**92**	61
Prepaid expenses and advances	**2,176**	2,912
Current liabilities:		
Accounts payable and accrued liabilities	**(15,660)**	(18,851)
Notes payable	**(3,027)**	(3,058)
Lease liabilities	**(1,431)**	(1,530)
Current tax liability	**-**	(3,213)
Other taxes payable	**(935)**	(1,153)
Reclamation provisions	**(6,847)**	(623)
Legal and other provisions	**(2,941)**	(2,827)
Working capital[1]	**$ 31,990**	**$ 29,190**

[1] This is a non-GAAP financial performance measure with no standard definition under IFRS.

Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets as reported in the Company's consolidated statement of financial position.

[1] This is a Non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

The use of funds during the three months and year ended December 31, 2021, is outlined as follows:

($ thousands)		Three months ended December 31, 2021		Three months ended December 31, 2020		Year ended December 31, 2021		Year ended December 31, 2020
Cash generated from operating activities	**$**	**9,581**	$	20,606	**$**	**45,036**	$	78,665
Investing activities								
Investment in mineral exploration projects		**(187)**		-		**(1,385)**		-
Purchase of property, plant and equipment		**(3,848)**		(13,092)		**(32,845)**		(34,752)
Proceeds from disposition of royalty interests		**-**	-	1		**6,950**		5
Proceeds from disposition of property, plant and equipment		**-**		-		**280**		-
Cash used in investing activities	**$**	**(4,035)**	$	(13,093)	**$**	**(27,000)**	$	(34,747)
Financing activities								
Cash received upon issuance of debt		**1,350**		-		**7,336**		6,461
Cash received upon issuance of shares via stock options exercised		**(145)**		64		**410**		87
Cash received upon redemption of restricted cash margin deposits		**-**		(23)		**289**		96
Repayment of debt		**(2,027)**		(758)		**(10,217)**		(11,082)
Cash paid for purchase and cancellation of shares		**-**		(2,267)		**-**		(3,479)
Interest paid		**(29)**		(2)		**(199)**		(371)
Cash dividends paid		**(2,266)**		(4,488)		**(13,915)**		(8,880)
Cash used in financing activities	**$**	**(3,117)**	$	(7,474)	**$**	**(16,296)**	$	(17,168)
Effect of exchange rate changes on cash balances		**(137)**		(90)		**(275)**		1,234
Net (decrease) increase in cash and equivalents	**$**	**2,292**	$	(51)	**$**	**1,465**	$	27,984

Cash generated by operations decreased by 43% in FY 2021 to $45 million, compared to $78.7 million in FY 2020, due to an 8% decrease in ounces sold in 2021 to 84,638 ounces compared to 91,853 ounces in 2020, partially offset by a 3% increase in average realized gold price to $1,790 per ounce in FY 2021, compared to $1,745 per ounce in the same period of 2020. Operating costs increasing is related to inflation of mining materials, labour and other production costs. Cash generated from operating activities was also impacted by investments of $4.7 million related to the reclamation and rehabilitation of tailing dams.

Net cash flows used in investing activities decreased to $27 million for the full year of 2021, compared to $34.7 million in the same period of 2020, primarily due to the $7 million received in cash related to the sale of the Company's Net Smelter Return ("NSR") royalty from gold production at the CentroGold Project, which is described further in Note 9 of the Company's December 31, 2021, audited consolidated financial statements.

Cash used in financing activities decreased 5% or $0.9 million for FY 2021 to $16.3 million compared to $ 17.2 million in FY 2020, primarily as a result by no cash used to pay for the purchase and cancellation of shares, offset by higher dividend payments in FY 2021.

Contractual Obligations and Commitments

The Company's contractual obligations as at December 31, 2021, are summarized as follows:

($ thousands, except where indicated)	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Accounts payable and accrued liabilities[1]	$ 15,660	$ -	$ -	$ -	**$ 15,660**
Other Taxes Payable					
ICMS Settlement Due	259	112	-	-	**371**
INSS	495	991	119	-	**1,605**
IRPJ & CSLL Settlement Due	181	359	139	-	**679**
Notes payable					
Principal					
Bank indebtedness[2]	3,027	-	-	-	**3,027**
Interest	102	82	-	-	**184**
Lease liabilities	1,578	2,584	137	-	**4,299**
Reclamation provisions[3]	6,847	5,278	7,424	3,033	**22,582**
Current tax liability	-	-	-	-	**-**
Total financial liabilities	$ 28,149	$ 9,406	$ 7,819	$ 3,033	**$ 48,407**
Other Commitments					
Suppliers' agreements[4]	251	-	-	-	**251**
Others	303	-	-	-	**303**
Total other commitments	$ 554	$ -	$ -	$ -	**$ 554**
Total	**$ 28,703**	**$ 9,406**	**$ 7,819**	**$ 3,033**	**$ 48,961**

[1] Amounts payable as at December 31, 2021.

[2] Bank indebtedness represents the principal on Brazilian short-term bank loans which are renewed in 180 day periods.

[3] Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

[4] 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 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 days.

CAPITAL STRUCTURE

The capital structure of the Company as of December 31, 2021, is as follows:

All amounts in $ thousands, except number of common shares		As at December 31, 2021
Cash and cash equivalents	**$**	**40,373**
Less: Bank indebtedness	$	3,027
Less: Leasing Liabilities		3,865
Less: Total debt	**$**	**6,892**
Total net cash and cash equivalents balance[1]	**$**	**33,481**
Number of common shares outstanding		72 million

[1] Net cash and cash equivalents balance is a Non-IFRS Performance Measure and is defined as total indebtedness excluding unamortized transaction costs and premiums or discounts associated with debt, less cash and cash equivalents. The Company reduces cash and cash equivalents balance by gross indebtedness on the basis to identify the net cash and cash equivalents balance .

OFF-BALANCE SHEET ITEMS

The Company does not have any off-balance sheet investment or debt arrangements.

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 (loss). Legal fees paid to ASA were $0.03 million for the year ended December 31, 2021 ($0.06 million for the year ended December 31, 2020).

DEVELOPMENT AND EXPLORATION PROJECTS

CentroGold Project (also referred to as the Gurupi Project)

On September 17, 2017, Jaguar and Oz Minerals agreed to an accelerated earn-in agreement, pursuant to which Oz Minerals will earn up to a 100% ownership interest in the CentroGold Project after meeting certain milestones and making a series of payments to Jaguar. The agreement provides Oz Minerals with the right to acquire 100% of Jaguar's interest in the CentroGold Project by paying to Jaguar an aggregate cash payment of $4 million in two installments of $2 million each and committing to a Net Smelter Return ("NSR") royalty due to Jaguar. Jaguar received an initial aggregate cash payment of $4 million. The Company has an additional $5 million from Oz Minerals to be collected in a series of 10 installments of $500,000. Those receivables are expected to be received at the beginning of the month in which Oz Minerals receives clear title and access to the project. In July 2019, Oz Minerals published an Australian Joint Ore Reserve Committee ("JORC") code compliant prefeasibility study technical report for the CentroGold Project, announcing mineral reserves of 1,100,000 ounces of gold.

<u>Definitive Agreement with Metalla for the sale of the Company's Net Smelter Return Royalty</u>

On March 15, 2021, Jaguar executed a Definitive Agreement with Metalla Royalty & Streaming Ltd. (MTA) ("Metalla") for the sale of the Company's NSR royalty from gold production at the CentroGold Project . The NSR is comprised of a 1% net smelter return on the first 500,000 ounces of gold sold, a 2% net smelter return from 500,001 to 1,500,000 ounces of gold, and a 1% net smelter return on gold sales exceeding 1,500,000 ounces of gold.

The Metalla NSR was sold for an aggregate consideration valued at up to $18 million, receivable as follows:

- Immediate: $7 million in cash upon executing the Definitive Agreement (received);
- Milestone 1: $7 million in Metalla common shares upon grant of all project licenses, the lifting or extinguishment of the injunction imposed on the CentroGold Project with no pending appeals and, if necessary, the completion of any and all community relocations; and
- Milestone 2: $4 million payment to Jaguar in cash upon the CentroGold Project achieving commercial production.

The Company received an upfront payment of $7 million from the sale of the NSR, and contingent considerations for Milestone 1 and Milestone 2 were applied, given that the completion of these milestones is dependent on the performance of an unrelated third party. As a result of the sale, the Company (i) transferred its NSR title to Metalla and derecognized the $8.5 million CentroGold project royalty interest asset, (ii) received and recorded $7 million in Cash, (iii) recorded $0.2 million in legal and consulting costs associated with the transaction, and (iv) recognized a $1.7 million loss on sale of the CentroGold royalty interest to Other non-operating expenses in its condensed interim consolidated statement of operations and comprehensive income.

Iron Quadrangle Option Agreement with IAMGOLD Corporation

On August 26, 2020, the Company entered into a JV Agreement (the "Iron Quadrangle Agreement") with IAMGOLD on a package of 28 exploration tenements (the "Package") in the prolific Iron Quadrangle, located in Minas Gerais, Brazil. Pursuant to the Iron Quadrangle Agreement, the Company has the option to earn an initial 60% interest in the Package by spending $6 million in exploration expenditures over four years commencing in the fourth quarter of 2020. Jaguar will be the project operator and will be subject to oversight by a technical committee with representatives from both companies. According to the Agreement:

- The earn-in period will require a minimum expenditure of $500,000 per annum, and the exploration program must include the completion of a minimum of 5,000 metres of diamond drilling over the option agreement time frame.
- Upon Jaguar earning an initial 60% interest, IAMGOLD may elect to participate and fund its pro-rata share of ongoing expenditures under a conventional 60:40 JV that will be formed for this purpose and will be agreed-upon by both companies. Should such an election be made, both parties will be required to fund their pro-rata share for ongoing expenditures or be subject to dilution. Should either party dilute to <10% interest, their interest will revert to a 1.5% NSR.

The Company has invested a total amount of $1.6 million in exploration expenditures on the option agreement with IAMGOLD since Q4 2020, of which $1.4 million was expended in FY 2021 and $0.2 million in FY 2020.

Greenfield Exploration

Jaguar currently holds approximately 32,000 hectares of mineral rights in Brazil. In late 2020, the Company announced it was increasing its investment in growth exploration initiatives with in-mine exploration supplemented by renewed focus on its prospective property portfolio close to its active mining and plant facilities. Any discoveries derived from this exploration investment would immediately leverage the excess plant capacity currently available.

QUALIFIED PERSON

Scientific and technical information contained in this MD&A have 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*.

OUTSTANDING SHARE DATA

The following are the issued and outstanding common shares and numbers of shares issuable under share-based compensation and warrants:

	As at March 21, 2022
Issued and outstanding common shares	72,444,870
Stock options	1,047,454
Deferred share units	724,625
Total	**74,216,949**

NON-GAAP PERFORMANCE MEASURES

The Company has included the following Non-GAAP performance measures in this document: cash operating costs per tonne of ore processed, cash operating costs per ounce of gold sold, all-in sustaining costs per ounce of gold sold, cash operating margin per ounce of gold sold, all-in sustaining margin per ounce of gold sold, average realized gold price (per ounce of gold sold), sustaining capital expenditures, non-sustaining capital expenditures, adjusted operating cash flow, free cash flow, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA and working capital. These Non-GAAP performance measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. More specifically, Management believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and (iii) an internal benchmark of performance to allow for comparison against other mines. The definitions of these performance measures and reconciliation of the Non-GAAP measures to reported IFRS measures are outlined below.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs and All-In Costs per Ounce Sold

($ thousands, except where indicated)	Three months ended December 31,				Year ended December 31,			
		2021		2020		**2021**		2020
Operating costs	**$**	**18,838**	$	16,424	**$**	**70,337**	$	59,448
General & administration expenses		**1,507**		1,195		**5,703**		5,716
Corporate stock-based compensation		**88**		494		**1,044**		1,227
Sustaining capital expenditures[1]		**6,015**		9,848		**25,671**		29,463
All-in sustaining cash costs		**26,448**		27,961		**102,755**		95,854
Reclamation - accretion (operating sites)		**7**		-		**60**		60
All-in sustaining costs	**$**	**26,455**	$	27,961	**$**	**102,815**	$	95,914
Non-sustaining capital expenditures		**4,279**		3,416		**12,500**		6,900
Exploration and evaluation costs (greenfield)		**1,829**		1,110		**5,129**		1,839
Reclamation - accretion (non-operating sites)		**94**		-		**155**		60
Care and maintenance (non-operating sites)		**237**		340		**1,013**		791
All-in costs	**$**	**32,894**	$	32,827	**$**	**121,612**	$	105,504
Ounces of gold sold		**23,479**		23,308		**84,638**		91,853
Cash operating costs per ounce sold[2]	**$**	**802**	$	705	**$**	**831**	$	647
All-in sustaining costs per ounce sold[2]	**$**	**1,127**	$	1,200	**$**	**1,215**	$	1,044
All-in costs per ounce sold[2]	**$**	**1,401**	$	1,408	**$**	**1,437**	$	1,149
Average realized gold price	**$**	**1,819**	$	1,863	**$**	**1,790**	$	1,745
Cash operating margin per ounce sold	**$**	**1,017**	$	1,158	**$**	**959**	$	1,098
All-in sustaining margin per ounce sold	**$**	**692**	$	663	**$**	**575**	$	701

[1] Capital expenditures are included in our calculation of all-in sustaining costs and all-in costs.

[2] Cash operating costs, all-in sustaining costs and all-in costs are all non-GAAP financial performance measures with no standard definition under IFRS. Result may not calculate due to rounding.

Cash operating costs per ounce sold is calculated by dividing operating costs per the consolidated statement of comprehensive income (loss) by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, but excludes depreciation.

All-in sustaining cost performance reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs and sustaining exploration. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments and taxes.

In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist investors in evaluating the revenue received in a period from each ounce of gold sold.

Reconciliation of Cash Operating Costs, All-In Sustaining Costs per Ounce Sold by Mine Complex/Site

($ thousands, except where indicated)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Turmalina Complex				
Operating costs	**$ 9,015**	$ 6,970	**$ 33,318**	$ 26,553
Sustaining capital expenditures	**3,562**	5,880	**13,974**	18,028
All-in sustaining costs[1]	**$ 12,577**	$ 12,850	**$ 47,292**	$ 44,581
Ounces of gold sold	**10,476**	10,060	**37,806**	40,211
Cash operating costs per ounce sold[1]	**$ 861**	$ 693	**$ 881**	$ 660
All-in sustaining cost per ounce sold[1,2]	**$ 1,201**	$ 1,277	**$ 1,251**	$ 1,109
Pilar Mine				
Operating costs	**$ 9,822**	$ 9,456	**$ 37,001**	$ 32,898
Sustaining capital expenditures	**2,337**	3,968	**11,269**	11,435
All-in sustaining costs[1]	**$ 12,159**	$ 13,424	**$ 48,270**	$ 44,333
Ounces of gold sold	**13,003**	13,248	**46,832**	51,642
Cash operating costs per ounce sold[1]	**$ 755**	$ 714	**$ 790**	$ 637
All-in sustaining cost per ounce sold[1,2]	**$ 935**	$ 1,013	**$ 1,031**	$ 858

[1] Cash operating costs and all-in sustaining costs are all non-GAAP financial performance measures with no standard definition under IFRS. Results of individual mines may not add up to the consolidated numbers due to rounding.

[2] The calculation by mine site does not include allocation of the Corporate G&A - Toronto and Belo offices.

Reconciliation of sustaining capital and non-sustaining capital expenditures.

($ thousands)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Sustaining capital[1]				
Primary development	**$ 4,129**	$ 6,079	**$ 15,700**	$ 21,447
Brownfield exploration	**316**	285	**1,042**	704
Mine-site sustaining	**1,454**	3,484	**8,501**	7,312
Other sustaining capital[2]	**116**	-	**428**	-
Total sustaining capital[1]	**6,015**	9,848	**25,671**	29,463
Non-sustaining capital (including capital projects)[1]				
Mine-site non-sustaining	**1,862**	3,416	**5,882**	6,900
Asset retirement obligation - non-sustaining[2]	**2,261**	-	**4,233**	-
Other non-sustaining capital[3]	**156**	-	**2,385**	-
Total non-sustaining capital[1]	**4,279**	3,416	**12,500**	6,900
Total capital expenditures	**$ 10,294**	$ 13,264	**$ 38,171**	$ 36,363

[1] Sustaining and non-sustaining capital are non-IFRS financial measures with no standard definition under IFRS. Refer to the Non-IFRS Financial Performance Measures section of the MD&A. Capital expenditures are included in the calculation of all-in sustaining costs and all-in costs.

[2] Asset retirement obligation - non-sustaining is related to expenditures with dam closing projects. Payments related to the Company asset retirement obligation are classified as operating activities in accordance with IFRS financial measures.

[3] Other sustaining and non-sustaining capital are related to Belo Office and others projects.

Other sustaining capital are mainly connected to investments at Belo Office, and non-sustaining capital expenditures are related to exploration investments focused on a new cycle of resource delineation throughout the Company's projects in progress.

Reconciliation of Free Cash Flow[1]

The Company uses the financial measure free cash flow, which is a non-GAAP financial performance measure, to supplement information in its consolidated financial statements. Free cash flow does not have any standardized meaning prescribed under IFRS, and therefore it may not be comparable to similar measures employed by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance with respect to its operating cash flow capacity to meet non-discretionary outflows of cash.

Free cash flow from operations is defined as cash provided from operating activities, less changes in long-term receivable sustaining capital expenditures, and add back impact from asset retirement obligation. This measure is used by the Company and investors to measure the cash flow available to fund the Company's growth through investments and capital expenditures.

($ thousands, except where indicated)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Cash generated from operating activities	**$ 9,581**	$ 20,606	**$ 45,036**	$ 78,665
Adjustments				
Asset Retirement Obligation	**4,602**	99	**4,714**	219
Sustaining capital expenditures	**(6,015)**	(9,848)	**(25,671)**	(29,463)
Free cash flow	**$ 8,168**	$ 10,857	**$ 24,079**	$ 49,421
Ounces of gold sold	**23,479**	23,308	**84,638**	91,853
Free cash flow per ounce sold	**$ 348**	$ 466	**$ 284**	$ 538

[1] This is a non-GAAP financial performance measure with no standard definition under IFRS.

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA[1]

($ thousands, except where indicated)	Three months ended December 31,		Year ended December 31,	
	2021	2020	**2021**	2020
Net Income	**$ 13,687**	$ 24,294	**$ 34,190**	$ 72,280
Income tax expense	**-**	3,213	**7,939**	14,536
Finance costs	**227**	325	**776**	1,043
Depreciation and amortization	**5,108**	3,786	**21,159**	15,156
EBITDA	**$ 19,022**	$ 31,618	**$ 64,064**	$ 103,015
Impairment charges	**-**	(14,022)	**-**	(14,022)
Changes in other provisions and VAT taxes	**(10)**	302	**1,358**	1,171
Foreign exchange (gain)	**(577)**	2,082	**(1,698)**	(4,018)
Stock-based compensation	**88**	494	**1,044**	1,227
Financial instruments loss	**-**	-	**-**	476
Other non-operating expenses (recoveries)[1]	**-**	-	**1,686**	-
Adjusted EBITDA[2]	**$ 18,523**	$ 20,474	**$ 66,454**	$ 87,849
Weighted average outstanding shares	**72,441,622**	72,112,995	**72,396,926**	72,311,315
Adjusted EBITDA per share[2,3]	**$ 0.26**	$ 0.28	**$ 0.92**	$ 1.20

[1] CentroGold royalty interest sales. As a result of the sale, the Company (i) derecognized the $8.5 million CentroGold project royalty interest asset, (ii) received and recorded $7.0 million in Cash, (iii) recorded $0.2 million in legal and consulting costs associated with the transaction.

[2] This is a non-GAAP financial performance measure with no standard definition under IFRS.

[3] On August 27, 2020, the Company completed a share consolidation of its outstanding common shares on the basis of one (1) post-consolidation share for every ten (10) pre-consolidation shares.

EBITDA is earnings before finance expense, current and deferred income tax expense and depletion and depreciation. Adjusted EBITDA excludes from EBITDA the results of the impact of changes in other provision and VAT, Foreign exchange (gain), Stock-based compensation and financial instruments loss.

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

Credit risk associated with financial assets and royalty interests arises from cash held with banks, derivative financial instruments with positive fair values, recoverable taxes refundable from tax authorities, credit exposure to customers and counterparties to sales agreements. The credit risk is limited to the carrying amount on the statement of financial position.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, 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 into 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

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing this risk is to ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage.

To manage its liquidity risk, the Company undergoes 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 24 on the audited Financial Statements of December 31, 2021.

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. The Company engages in derivative financial instruments to manage its price risk and currency risk, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts.

1) Price risk

The Company is exposed to price risk with respect to gold prices on gold sales. The Company periodically enters into derivative financial instruments to manage this risk and to economically hedge 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.

Included in the revenue line of the consolidated statement of statements of operations and comprehensive income for the year ended December 31, 2021 are realized losses of $nil ($1.9 million loss for the year ended December 31, 2020) related to the Company's gold price hedge contracts executed.

i. Gold call options

The Company periodically enters into gold call option contracts in connection with its terms of financing and gold sales agreements and recognized the income and losses of such in the consolidated statements of operations and comprehensive income.

During the year ended December 31, 2021, the Company did not enter into any gold call option contracts in the period. During the year ended December 31, 2020, the Company was counterparty to European style gold call options agreements outstanding issued to Auramet International LLC ("Auramet"), whereas 5,000 ounces in call options were exercised for purchase by Auramet at a weighted average strike price of US$1,350 and nil ounces in call options were cancelled upon expiration.

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 and Canadian dollar denominated cash and cash equivalents, recoverable taxes, accounts payable and accrued liabilities, income taxes payable, reclamation and other provisions, deferred compensation liabilities, Euro denominated capital lease obligations, and foreign exchange call and put option contracts.

i. Assets and liabilities with foreign exchange exposure

The exposure of the Company's financial assets and liabilities (and certain other assets and liabilities) to currency risk is as follows, as at December 31, 2021:

	Denominated in Brazilian reais	Denominated in Canadian dollars	Denominated in European euros
Financial assets			
Cash and cash equivalents	$ 2,278	$ 79	$ -
Recoverable taxes	10,361	60	-
Other accounts receivable	92	-	-
Prepaid expenses and advances	1,890	-	-
Restricted cash	1,087	-	-
Total financial assets	$ 15,708	$ 139	$ -
Financial liabilities			
Accounts payable and accrued liabilities	$ 15,287	$ 16	$ -
Other taxes payable	3,027	-	-
Lease liabilities	2,915	-	950
Reclamation provision	18,162	-	-
Legal and other provisions	7,175	-	-
Total financial liabilities	46,566	16	950
Net financial assets/(liabilities)	$ (30,858)	$ 123	$ (950)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments (and certain other assets and liabilities) as at December 31, 2021 and 2020 with all other variables held constant. It shows how income before taxes would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

Exchange Rates	**Change for Sensitivity Analysis**	**Gain/(loss) of change to 2021 Foreign Exchange**	**Gain/(loss) of change to 2020 Foreign Exchange**
USD per Brazilian real	10% increase	**$ 2,805**	**$ 2,980**
USD per Brazilian real	10% decrease	**(2,805)**	**(2,980)**
USD per Canadian dollar	10% increase	**(11)**	**(3)**
USD per Canadian dollar	10% decrease	**11**	**3**
USD per European euro	10% increase	**86**	**47**
USD per European euro	10% decrease	**(86)**	**(47)**

ii. Foreign exchange call and put options

The Company periodically enters into European style foreign exchange call and put option contracts with third party exchange service providers, holding expiration periods between 30 days and 180 days, to economically hedge against the risk of the US dollar depreciating against the Brazilian real. The changes in the fair value of these contracts are recognized in the consolidated statement of operations. The Company does not apply hedge accounting for these hedge instruments.

During the year ended December 31, 2021, the Company did not enter into any foreign exchange call and put option contracts in the period. Included in the consolidated statements of operations and comprehensive income for the year ended December 31, 2020 are (i) a realized loss of $1.5 million and (ii) a $71,000 loss on changes in unrealized foreign exchange derivatives. As at December 31, 2020, the Company held no outstanding foreign exchange call and put option hedge contracts and no derivative asset/liability in its consolidated statement of financial position.

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 debt with interest rates ranging from 3.9% to 7.1% per annum.

e) Financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, the Company adjusts its valuation models to incorporate a measure of credit risk.
The fair value of the following financial assets and liabilities approximate their carrying amount due to the limited term of these instruments:

a. Cash and cash equivalent
b. Restricted cash
c. Other accounts receivable
d. Accounts payable and accrued liabilities
e. Other provisions

Fair value estimation:

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

a. Level 1 – quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access at the measurement date.

b. Level 2 – inputs are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

c. Level 3 – one or more significant inputs used in a valuation technique that are unobservable for the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The fair value of the Company's financial assets and liabilities approximate their carrying values at December 31, 2021 and 2020.

f) Changes in liabilities arising from financing activities

		Changes from financing cash flows			Other changes				
	Balance as at December 31, 2020	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Right-of-use lease obligations	Foreign exchange (gain) loss	Other non-cash changes	**Balance as at December 31, 2021**
Notes payable	$ 3,058	$ 7,336	$ (7,312)	$ (176)	$ 135	$ -	$ (14)	$ -	**$ 3,027**
Lease liabilities	2,723	-	(2,905)	-	-	3,965	(49)	131	**3,865**
	$ 5,781	$ 7,336	$ (10,217)	$ (176)	$ 135	$ 3,965	$ (63)	$ 131	**$ 6,892**

		Changes from financing cash flows			Other changes				
	Balance as at January 1, 2020	Proceeds from debt issuance	Debt repayments	Interest paid	Interest expense	Right-of-use lease obligations	Foreign exchange (gain) loss	Other non-cash changes	**Balance as at December 31, 2020**
Notes payable	$ 5,592	$ 6,461	$ (9,030)	$ (238)	$ 263	$ -	$ -	$ 10	**$ 3,058**
Lease liabilities	2,989	-	(2,052)	-	-	2,161	(456)	$ 81	**2,723**
	$ 8,581	$ 6,461	$ (11,082)	$ (238)	$ 263	$ 2,161	$ (456)	$ 91	**$ 5,781**

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks which could adversely affect the Company's future business, operations and financial condition, and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement on Forward-Looking Information found in this document. The Company is subject to various risks, known and unknown, arising from factors within or outside of its control. This section describes certain risks and uncertainties that may have an adverse effect on the Company's business, operations and financial results.

The business of the Company involves significant risk due to the nature of mining, exploration and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general while others are specific to Jaguar. For a comprehensive discussion of the risks and uncertainties that may have an adverse effect on the Company's business, operations and financial results, refer to the Company's latest AIF, filed with Canadian securities regulatory authorities at www.sedar.com.

I. Risks Relating to the Gold Industry

Gold prices are volatile and there can be no assurance that a profitable market for gold will exist.

Gold prices are volatile and subject to changes resulting from a variety of factors including international economic and political trends, expectations of inflation, global and regional supply and demand and consumption patterns, stock levels maintained by producers and others, currency exchange fluctuations, inflation rates, interest rates, hedging activities and increased production due to improved mining and production methods. While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that Jaguar's properties can be mined at a profit. Some credible industry experts are predicting that gold will continue to increase in price during 2022 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis, and that as economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today.

Mining is inherently risky and subject to conditions and events beyond Jaguar's control.

Mining involves various types of risks and hazards, including:

- environmental hazards;
- unusual or unexpected geological operating conditions, such as rock bursts, structural cave-ins or slides;
- flooding, earthquakes and fires;
- labour disruptions;
- industrial accidents;
- unexpected mining dilution, such as what occurred at Turmalina in 2017;
- metallurgical and other processing problems; and/or
- metal losses and periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Jaguar may not be able to obtain insurance to cover these risks at affordable premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to Jaguar or to other companies within the mining industry. Jaguar may suffer a materially adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

Calculation of Mineral Reserves and Mineral Resources and metal recovery is only an estimate, and there can be no assurance about the quantity and grade of minerals until mineral resources are actually mined.

The calculation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production are imprecise and depend on geological interpretation and statistical inferences or assumptions drawn from drilling and sampling analysis, which might prove to be unpredictable. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. Any material changes in mineral reserves, mineral resources, grade or stripping ratio at Jaguar's properties may affect the economic viability of Jaguar's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Significant uncertainty exists related to inferred mineral resources.

There is a risk that inferred mineral resources referred to in this AIF cannot be converted into measured or indicated mineral resources. Due to the uncertainty relating to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological and grade continuity to constitute measured and indicated resources as a result of continued exploration.

II. Risks Relating to Jaguar's Business

Jaguar's operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

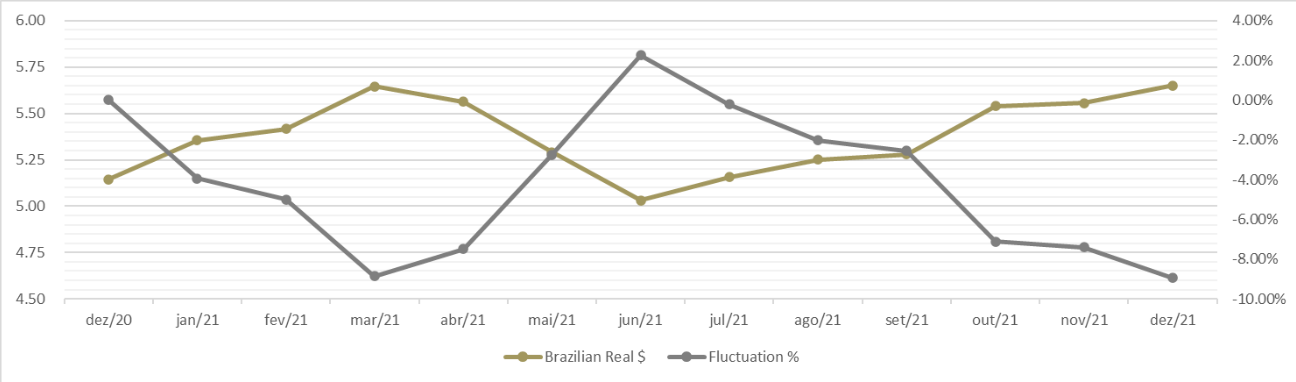
The proposed programs on the exploration properties in which Jaguar holds an interest are exploratory in nature and such properties do not host known bodies of commercial ore. Development of these mineral properties is contingent upon, among other things, obtaining satisfactory exploration results. Mineral exploration and development involve substantial expenses related to locating and establishing mineral reserves, developing metallurgical processes and constructing mining and processing facilities at a particular site. It also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of Jaguar's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production, or if brought into production, that it will be profitable. The discovery of mineral deposits is dependent upon a number of factors including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one of these factors, or the combination of any of these factors, may prevent Jaguar from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavourable long-term market price fluctuations in gold, or if there are significant increases in operating or capital costs. Most of the above factors are beyond Jaguar's control, and it is difficult to ensure that the exploration or development programs proposed by Jaguar will result in a profitable commercial mining operation.

Fluctuations in currency exchange rates may adversely affect Jaguar's financial position and results of operations.

Fluctuations in currency exchange rates, particularly operating costs denominated in currencies other than US dollars, may significantly impact Jaguar's financial position and results of operations. Jaguar generally sells its gold based on a US dollar price, but a major portion of Jaguar's operating expenses is incurred in non-US currencies. In addition, the appreciation of the Brazilian Real against the US dollar could further increase the dollar costs of gold production at Jaguar's mining operations in Brazil, which could materially and adversely affect Jaguar's earnings and financial condition.

US Dollar - Market Update

The following summarizes the movement in key currencies vis-à-vis the US dollar (source: Central Bank of Brazil):



During the year ended December 31, 2021, the Brazilian Real weakened against the US dollar.

Competition for new mining properties may prevent Jaguar from acquiring interests in additional properties or mining operations.

The gold mining industry is intensely competitive. Significant and increasing competition exists for gold and other mineral acquisition opportunities throughout the world. Some of the competitors are large, more established mining companies with substantial capabilities and greater financial resources, operational experience and technical capabilities than Jaguar. As a result of this competition, Jaguar may be unable to acquire rights to additional attractive mining properties on terms it considers acceptable. Increased competition could adversely affect Jaguar's ability to attract necessary capital funding or acquire an interest in additional operations that would yield mineral reserves or result in commercial mining operations.

Jaguar relies on its management and key personnel, and there is no assurance that such persons will remain at Jaguar, or that it will be able to recruit skilled individuals.

Jaguar relies heavily on its management. Jaguar does not maintain "key man" insurance. Recruiting and retaining qualified personnel is critical to Jaguar's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for the services of such persons is intense. In addition, as Jaguar's business activity grows, it may require additional key financial, administrative, technical and mining personnel. The failure to attract and/or retain such personnel to manage growth effectively could have a material adverse effect on Jaguar's business, prospects, financial condition and results of operations.

Actual capital costs, operating costs, production and economic returns may differ significantly from those estimated by Jaguar and there can be no assurance that any future development activities will result in profitable **mining operations.**

Capital and operating costs, production and economic returns, and other estimates contained in the feasibility studies for Jaguar's projects may differ significantly from those anticipated by Jaguar's current studies and estimates, and there can be no assurance that Jaguar's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction schedules may negatively impact the net present value and internal rates of return of Jaguar's mineral properties as set forth in the applicable feasibility studies.

Jaguar's cash operating costs per ounce sold and all-in sustaining costs per ounce sold[1] for the years ending December 31, 2021, 2020, and 2019 were as follows:

		2021	2020	2019
Turmalina	Cash operating costs per ounce sold	$881	$660	$800
	All-in sustaining costs per ounce sold	$1,251	$1,109	$1,379
Pilar	Cash operating costs per ounce sold	$790	$637	$811
	All-in sustaining costs per ounce sold	$1,031	$858	$1,119
Consolidated	Cash operating costs per ounce sold	$831	$647	$608
	All-in sustaining costs per ounce sold	$1,215	$1,044	$1,349

[1] Cash operating costs per ounce sold and all-in sustaining costs per ounce sold are non-IFRS measures with no standard definition under IFRS. Refer to the non-IFRS financial performance measures section of the Company's MD&A.

Increases in energy costs or the interruption of Jaguar's energy supply may adversely affect Jaguar's results of operations.

Jaguar's operations are energy intensive and rely upon third parties for the supply of the energy resources consumed in its operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, worldwide price levels and market conditions. Disruptions in supply or increases in costs of energy resources could have a material adverse impact on Jaguar's financial condition and the results of operations.

There can be no assurance that the interests held by Jaguar in its properties are free from defects.

Jaguar's properties may be subject to prior recorded and unrecorded agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Title insurance is generally not available for mineral properties, and Jaguar's ability to ensure that it has obtained a secure claim to individual mining properties or mining concessions may be severely constrained. Jaguar has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in Jaguar being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. No assurance can be given that Jaguar's rights will not be revoked or significantly altered to its detriment. There can also be no assurance that its rights will not be challenged or impugned by third parties.

Jaguar is exposed to risks of changing political stability and government regulation in the country in which it operates.

Jaguar holds mineral interests in Brazil that may be affected, in varying degrees, by political instability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect to Brazil. Any changes in regulations or shifts in political conditions are beyond Jaguar's control and may adversely affect its business. Jaguar's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Jaguar's operations may also be adversely affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

Jaguar is subject to additional business and financial risks inherent in doing business in Brazil.

The Company's principal operations and mineral properties are located in Brazil. There are additional business and financial risks inherent in doing business in Brazil as compared to the United States or Canada. Since 1996, Transparency International has published the Corruption Perceptions Index ("CPI"), which annually ranks countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The CPI ranks countries on a scale from 100 (very clean) to 0 (highly corrupt). In 2021, out of 180 countries in the world, Canada was ranked 13th with a CPI score of 74, the United States was ranked 27th with a CPI score of 67, and Brazil was ranked 96th with a CPI score of 38. The average score on the 2020 Corruption Perceptions Index was 43 out of 100. Anything below a score of 50 indicates governments are failing to tackle corruption and represents a challenge in those countries requiring extra attention by those who conduct business there. High profile examples of alleged corruption were reported in 2021. Beginning on October 3, 2021, the International Consortium of Investigative Journalists ("ICIJ") published another 11.9 million leaked documents with 2.9 terabytes of data. This was the second leak by ICIJ and these leaks have become known as the "Panama Papers." This leak in 2021 exposed the secret offshore accounts of 35 world leaders, including current and former presidents, prime ministers and heads of state, as well as more than 100 billionaires, celebrities and business leaders. The initial leak of the Panama Papers occurred in 2016, exposing 11.5 million confidential documents. Brazil did not escape scrutiny from the 2021 leak of the Panama Papers. One of the noteworthy names was Paulo Guedes who, while in office as Brazil's minister of economy, is alleged to have kept a company in the British Virgin Islands with almost US$10 million invested in a Credit Suisse account in New York, USA. Roberto Campos Neto, the Chairman of Brazil's Central Bank, was also featured in the 2021 release of the Panama Papers. Both deny any wrongdoing.

Corruption does not only occur with the misuse of public, government or regulatory powers, it also can occur in a business's supplies, inputs and procurement functions (such as illicit rebates, kickbacks and dubious vendor relationships), as well as the inventory and product sales functions (such as inventory shrinkage or skimming). Employees, as well as external parties (such as suppliers, distributors and contractors), have opportunities to commit procurement fraud, theft, embezzlement and other wrongs against the Company. While corruption, bribery and fraud risks can never be fully eliminated, the Company reviews and implements controls to reduce the likelihood of these irregularities occurring. The Company utilizes an internal auditor, third-party security services and closed-circuit video surveillance at its operations in Brazil.

The ability of Jaguar to pay dividend will be dependent on the financial condition of Jaguar.

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon, among other things, Jaguar's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. Although Jaguar has paid a regular dividend for the six most recently completed quarters, there can be no assurance that it will be in a position to declare any future dividends (at the current dividend amount or at all) due to the occurrence of one or more of the risks described herein.

Jaguar is subject to significant governmental regulations.

Jaguar's mining and exploration activities are subject to extensive local laws and regulations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, who may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of such requirements, could have a materially adverse impact on Jaguar and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Jaguar's operations are subject to numerous governmental permits, which are difficult to obtain, and it may not be able to obtain or renew all of the permits it requires, or such permits may not be timely obtained or renewed.

Government approvals and permits are sometimes required in connection with Jaguar's operations. Although Jaguar believes it has all of the material approvals and permits to carry on its operations, Jaguar may require additional approvals or permits or may be required to renew existing approvals or permits from time to time. Obtaining or renewing approvals or permits can be a complex and time-consuming process. There can be no assurance that Jaguar will be able to obtain or renew the necessary approvals and permits on acceptable terms, in a timely manner, or at all. To the extent such approvals are required and not obtained, Jaguar may be delayed or prohibited from proceeding with planned exploration, development or mining of mineral properties.

Under current regulations, all exploration activities that the Company undertakes through its subsidiaries must be carried out on valid exploration licences or prospecting permits issued by the DNPM, a department of the Brazilian federal government. The DNPM is responsible for the administration of all mining and exploration licences, and prospecting permits. According to local regulations, the Company must submit a final exploration report before the expiry date of any licence or permit, which is usually three years from the date of grant. However, Brazilian mining laws and regulations are currently undergoing a major restructuring, and draft legislation to this effect has been submitted to the federal legislature for review and approval. The effects of this restructuring will, if adopted, be far-reaching in the ways that mining rights can be acquired and maintained in the country. Current proposals include an auction process for new licences, minimum expenditures designed to eliminate the "warehousing" of mining permits and licences as well as new fee schedules. They also provide for landowner participation where applicable. It is the Company's understanding, based on consultations with local counsel, that licences currently held in good standing will be grandfathered and not subject to certain requirements of the proposed new regime. Production from the Company's mines results in a 1.5% royalty fee payment to the CFEM, on the value of the ore produced. However, and as mentioned above, the Brazilian government is currently considering the adoption of new mining legislation that would include increases in the CFEM royalties.

Environmental permits are granted for one- to ten-year periods and all local agencies have the right to monitor and evaluate compliance with the issued permits even though such monitoring tends to be minimal in scope and nature. Any changes to the exploration activities that result in a greater environmental impact require approval.

The work the Company carries out on its exploration licences is largely restricted to drilling and ancillary activities associated with the drilling programs (i.e., low impact road construction, drilling stations). As such, the reclamation costs in respect of drilling activities are not material to the Company and are factored into the budget for exploration programs.

Jaguar is subject to substantial environmental laws and regulations that may increase its costs and restrict its operations.

All phases of Jaguar's operations are subject to environmental regulations in the jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste and hazardous substances, protection of natural resources and reclamation of lands disturbed by mining operations. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. This is especially true following the high-profile Brumadinho dam disaster that occurred on January 25, 2019, when Dam I—a tailings dam at Vale's Córrego do Feijão iron ore mine, 9 kilometres east of Brumadinho, Minas Gerais, Brazil—suffered a catastrophic failure. Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in, or the cancellation of, Jaguar's intended activities. There can be no assurance that future changes in environmental regulation, if any, will not be materially averse to Jaguar's operations. Specifically, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a materially adverse impact on the Company, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties.

In light of tailings dam incidents in Brazil in 2015 and 2019, federal lawmakers have proposed legislation aimed at addressing risks of future tailings dam failures. While there are a variety of measures under consideration, recently approved legislation at the federal and state level includes the potential increase of financial assurance requirements, increased fines and penalties for environmental damages and/or require the Company to further address risks to residents downstream. While regulations are pending on these issues, these laws and regulations may adversely affect Jaguar's operations or increase the costs associated with those operations.

The properties in which Jaguar holds interests may contain environmental hazards, which are presently unknown to it, and which have been caused by previous or existing owners or operators of the properties. Because of this risk in 2021, Jaguar started the Management of Mined Areas procedure, a system that previews for three years the elaboration of recovery and closing plan for all properties where Jaguar developed mines before. With this plan, it will be possible to update the asset retirement obligation cost considering the potential contamination and others impacts. All these processes stayed in line with the new legislation in Brazil by the National Mining Agency (ANM) in 2021.

Land reclamation requirements for Jaguar's mining and exploration properties may be burdensome.

Land reclamation requirements are generally imposed on companies engaged in mining operations and mineral exploration activities in order to minimize long-term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on Jaguar in connection with its mining and exploration activities, Jaguar must allocate financial resources that might otherwise be spent on further exploration and development programs. If Jaguar is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Jaguar may need additional capital to accomplish its exploration and development plans or to cover its expenses and maintain adequate working capital, and there can be no assurance that financing will be available on terms acceptable to Jaguar, or at all.

Depending on gold prices and Jaguar's ability to achieve its plans and generate sufficient operating cash flow from its existing operations, the Company may require substantial additional financing to accomplish its exploration and development plans, maintain adequate working capital, or fund any non-operating expenses that may arise or become due such as interest, tax (in Canada or Brazil) or other expenses. Failure to obtain sufficient financing, or financing on terms acceptable to Jaguar, may result in a delay or indefinite postponement of exploration, development or production on any or all of Jaguar's properties or even a loss of an interest in a property, or an inability to pay any of Jaguar's non-operating expenses which could also lead to late fees or penalties, depending on the nature of the expense. The only source of funds now available to Jaguar is through production at Turmalina and Caeté, the sale of debt or equity capital, properties, royalty interests or the entering into of joint ventures or other strategic alliances in which the funding sources could become entitled to an interest in Jaguar's properties or projects. Additional financing may not be available when needed. If funding is available, the terms of such financing might not be favourable to Jaguar and might involve substantial dilution to existing shareholders. If financing involves the issuance of debt, the terms of the agreement governing such debt could impose restrictions on Jaguar's operation of its business. Failure to raise capital when needed could have a materially adverse effect on Jaguar's business, financial condition and results of operations.

Jaguar is exposed to risks of labour disruptions and changing labour and employment regulations.

Employees of Jaguar's principal projects are unionized, and the collective bargaining agreements between Jaguar and the unions that represent these employees must be renegotiated on an annual basis. Although Jaguar believes it has good relations with its employees and with their unions, production at Jaguar's mining operations is dependent upon the continuous efforts of Jaguar's employees. In addition, relations between Jaguar and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions Jaguar carries on business. Labour disruptions or any changes in labour or employment legislation or in the relationship between Jaguar and its employees may have a materially adverse effect on Jaguar's business, results of operations and financial condition. Labour litigation in Brazil is an ongoing exposure for all companies working in Brazil, especially in the mining sector. Jaguar has a number of labour claims, and the settlement of such claims may result in significant cash outflow in future.

Substantially all of Jaguar's assets are held by foreign subsidiaries that are subject to the laws of the Federal Republic of Brazil.

Jaguar conducts operations through its wholly owned foreign subsidiary MSOL and substantially all of Jaguar's assets are held through this entity. Accordingly, any governmental limitation on the transfer of cash or other assets between Jaguar and MSOL could restrict Jaguar's ability to fund its operations efficiently. Any such limitations or the perception that such limitations may exist now or in the future could have an adverse impact on Jaguar's prospects, financial condition and results of operations.

Jaguar may be subject to litigation.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a materially adverse effect on the Company's financial position or results of operations.

Generally, the labour claims are due to disputed overtime, danger pay, wage parity, etc. Brazilian labour law is a complex system of statutes and regulations, which in general, has a favourable approach to employees of the Company. As such, corporate labour compliance is a key success factor in Brazilian-based operations to minimize the impact of labour claims. The Company has historically not been in full compliance of labour regulations, nor did it have the proper procedures in place to support labour claims defenses, which led to the bulk of the litigation provisions recorded.

Jaguar may be subject to impacts on production if the road route between the Pilar Mine and the Caeté plant cannot be used due to rain or other events.

Jaguar has material properties located in the state of Minas Gerais, Brazil. Typically, the state's wet season is from November to April. During the wet season, the properties and surrounding infrastructure may be subject to unpredictable weather conditions such as heavy rains, strong winds, and flash flooding. Pilar is located approximately 50 km by road from the Caeté plant. Ore from Pilar is hauled to the Caeté plant. Ore haulage activities may be slowed or delayed as roads may be temporarily flooded or if the maintenance or provision of such infrastructure is impacted by other events. Any delays could adversely affect Jaguar's operations, financial condition, and results of operations. Jaguar has undertaken to mitigate the potential effects of the wet season by discussing alternative routes with the neighbouring communities.

Global financial conditions may negatively impact its operations and share pricing.

Current global financial conditions have been characterized by increased volatility, particularly the markets for commodities, including gold. Access to public financing has been negatively impacted by several factors including efforts by financial institutions to delever their balance sheets in the face of current economic conditions. These factors may impact the ability of Jaguar to obtain equity or debt financing in the future on terms favourable to Jaguar. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If Jaguar had to idle any of its producing properties or delay development of any project, there is no assurance that it would be able to restart production or development without undue delay, if at all. If such increased levels of volatility and market turmoil continue, Jaguar's operations could be adversely impacted, and the trading price of its common shares may be adversely affected.

The trading price for Jaguar's common shares is volatile and has been, and may continue to be, greatly affected by the ongoing market volatility.

Securities of mineral exploration and early-stage base metal production companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Jaguar's common share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Jaguar's performance that may have an effect on the price of its common shares include the following: the extent of analytical coverage available to investors concerning Jaguar's business may be limited if investment banks with research capabilities do not continue to follow Jaguar's securities; the lessening in trading volume and general market interest in Jaguar's securities may affect an investor's ability to trade significant numbers of Jaguar's common shares; and the size of Jaguar's public float may limit the ability of some institutions to invest in Jaguar's securities. As a result of any of these factors, the market price of Jaguar's common shares at any given point in time may not accurately reflect Jaguar's long-term value.

Jaguar's mineral properties in Brazil operate in an emerging market and are subject to political, economic, social and geographic risks of doing business in Brazil

The Company's mining and development properties in Brazil expose the Company to the socioeconomic conditions in Brazil, as well as to the laws governing the mining industry in the country. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation, changes in monetary and exchange policies, changes in interest rates, decreased liquidity in the domestic capital and lending markets, energy shortages, military repression, war or civil war, social and labour unrest, organized crime, hostage taking, terrorism, violent crime, extreme fluctuations in currency exchange rates, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from a particular jurisdiction.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Company's exploration, development and production initiatives in Brazil.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant changes in policies and regulations. Changes, if any, in mining or investment policies or shifts in political attitude in Brazil or any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation may contribute to economic uncertainty in Brazil. Historically, Brazilian politics have affected the performance of the Brazilian economy. Past political crises have affected the confidence of investors and the public, generally resulting in an economic slowdown.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Brazil. Such events could materially and adversely affect the Company's business, financial condition and results of operations.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, results of operations and financial position.

Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Company's financial condition and results of operations.

In the past, high levels of inflation have adversely affected the economies and financial markets of Brazil, and the ability of its government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation in Brazil and have created general economic uncertainty. As part of these measures, the Brazilian government has at times maintained a restrictive monetary policy and high interest rates that have limited the availability of credit and economic growth. Brazil may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in Brazil and lead to further government intervention in the economy, including interest rate increases, restrictions on tariff adjustments to offset inflation, intervention in foreign exchange markets and actions to adjust or fix currency values, which may trigger or exacerbate increases in inflation, and consequently have an adverse impact on the Company. In an inflationary environment, the value of uncollected accounts receivable, as well as of unpaid accounts payable, declines rapidly. If Brazil experiences high levels of inflation in the future and price controls are imposed, the Company may not be able to adjust the rates the Company charges the Company's customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's results of operations or financial condition.

Corruption and fraud in Brazil relating to ownership of real estate.

Under Brazilian law, real property ownership is normally transferred by means of a transfer deed, and subsequently registered at the appropriate real estate registry office under the corresponding real property record. There are uncertainties, corruption and fraud relating to title ownership of real estate in Brazil, mostly in rural areas. In certain cases, a real estate registry office may register deeds with errors, including duplicate and/or fraudulent entries, and, therefore, deed challenges frequently occur, leading to judicial actions. Property disputes over title ownership are frequent in Brazil, and, as a result, there is a risk that errors, fraud or challenges could adversely affect the Company's ability to operate, although ownership of mining rights are separate from ownership of land.

Repatriation of Earnings.

There is no assurance that any countries in which the Company carries on business, or may carry on business in the future, will not impose restrictions on the repatriation of earnings to foreign entities.

Termination of mining concessions.

The Company's mining concessions may be terminated in certain circumstances. Under the laws of Brazil, Mineral Resources belong to the federal government and governmental concessions are required to explore for, and exploit, Mineral Reserves. The Company will hold mining, exploration and other related concessions in each of the jurisdictions where the Company operates and where it will carry on development projects and prospects. The concessions the Company will hold in respect to its operations, development projects and prospects may be terminated under certain circumstances. Termination of any one or more of the Company's mining, exploration or other concessions could have a material adverse effect on the Company's financial condition or results of operations.

Compliance with anti-corruption laws.

The Company's operations are governed by, and involve interaction with, many levels of government in Brazil. The Company is subject to various anti-corruption laws and regulations, such as the Canadian Corruption of Foreign Public Officials Act, which prohibits a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In addition, the Extractive Sector Transparency Measures Act recently introduced by the Canadian government contributes to global efforts to increase transparency and deter corruption in the extractive sector by requiring extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. According to Transparency International, Brazil is perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such anti-corruption and anti-bribery laws, resulting in greater scrutiny and punishment of companies found in violation of such laws. Failure to comply with the applicable anti-corruption laws and regulations could expose the Company and its senior management to civil or criminal penalties or other sanctions, which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, reputation, financial condition and results of operations. Although the Company has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Company, its employees or third-party agents will comply with such laws.

Reliance on local advisors and consultants in foreign jurisdictions.

The Company holds mining and exploration properties in Brazil. The legal and regulatory requirements in Brazil with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada and the United States. The officers and directors of the Company must rely, to a great extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in these countries. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

Internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement.

The Company's Audit and Risk Committee actively oversees the monitoring of any identified deficiencies and weaknesses in internal controls, as well as the risks they create for the Company. The Audit and Risk Committee, and more generally the Board, oversee the timely remediation of any weaknesses and, in the interim, the mitigation of the related risks. In consultation with the Company's internal auditors, as well as the Board, the Audit and Risk Committee monitors and evaluates, among other things, the following on an ongoing basis: (i) the effectiveness of internal controls; (ii) the materiality of, and potential risks that may arise from, any deficiencies or weaknesses in internal controls; (iii) how any such deficiencies and weaknesses can be remediated; (iv) management's plan and timeframe for any such remediation; (v) the status of any ongoing remediation plans of the Company; and (vi) whether any interim measures should be adopted prior to the completion of any remediation.

The Company has invested resources to document and assess its system of internal control over financial reporting and undertakes an evaluation process of such internal controls. Internal control over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, safeguards with respect to the reliability of financial reporting and financial statement preparation.

The Company currently believes that no material weakness exists in regard to its internal controls for financial reporting that result in a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis. However, if the Company fails to maintain the adequacy of its internal control over financial reporting, as either the Company's or the applicable regulatory standards are modified, supplemented, or amended from time to time, then the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. If in the future the Company is required to disclose a material weakness in its internal controls over financial reporting, then this could result in the loss of investor confidence in the reliability of the Company's financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

Jaguar may be subject to community relations and social licence to operate issues or involvement from Non-Governmental Organizations (NGOs).

Jaguar mines in a peri-urban environment adjacent to communities surrounded by lands used for agriculture, residence, and other industry. Jaguar has no significant community relations issues at present. However, ore from Pilar is trucked to the Caeté site for processing which passes through one or two towns depending on the route. Jaguar has maintained good community relations with the neighbouring communities and city councils to date. Relations between Jaguar and its local communities may be affected by elections changing the relevant governmental authorities in whose jurisdictions Jaguar carries on business, by local community dissatisfaction with our operations, or by involvement of an NGO opposed to mining. Community disruptions, changes in the relationship between Jaguar and the communities wherein it operates, or new involvement by NGOs opposed to mining, may have a material adverse effect on Jaguar's business, which could result in changes in operational and financial conditions. Social licence to operate in Brazil is an ongoing exposure for all companies working in Brazil, especially in the mining sector.

Jaguar may be negatively affected by an outbreak of infectious disease or pandemic

An outbreak of infectious disease, pandemic or a similar public health threat, such as the COVID-19 outbreak, and the response thereto, could adversely impact the Company, both operationally and financially. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where the Company operates. Labour shortages due to illness, Company or government-imposed isolation programs, restrictions on the movement of personnel or possible supply chain disruptions could result in a reduction or interruption of the Company’s operations, including mine shutdowns or suspensions. The inability to transport and/or refine and process the Company’s products could have a materially adverse effect on the Company’s future cash flows, earnings, results of operations and financial condition. As efforts are undertaken to slow the spread of the COVID-19 virus, the operation and development of mining projects may be impacted. To date, a number of mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties of Jaguar, or in which Jaguar holds a royalty, stream or other interest, is suspended or the development is delayed for precautionary purposes or as governments declare states of emergency or other actions are taken in an effort to combat the spread of COVID-19, it may have a materially adverse impact on Jaguar’s profitability, results of operations, financial condition and the trading price of Jaguar’s securities.

The adverse effects described above could be rapid and unexpected. These disruptions may severely impact the Company’s ability to carry out its business plans for 2022 and beyond. Fiscal 2021 was particularly challenging for both the people of Brazil and for the Company. In June 2021, new infections reached a record number for COVID-19 cases recorded in a single day in Brazil. As at the end of the fourth quarter of 2021, 396 of the Company’s approximately 1430 employees and contractors had either contracted the coronavirus, been in quarantine or otherwise been sidelined for health-related risk factors relating to COVID-19 for varying amounts of time, since the onset of the pandemic. Our operating divisions have been the hardest hit where the loss of skilled drillers and mechanics materially impacted productivity. The temporary reduction of expertise and staff, combined with the continuous reconfiguration of our operating teams and inability for movement of technical resources between mines, significantly impacted the Company’s performance in 2021. The spread of the Omicron variant in late 2021 and early 2022 continues to adversely impact the workforce levels and operations of the Company. The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of Jaguar’s stock price.

The growing emergence of COVID-19 variants of concern that are more transmissible and carry increased health risks threaten another surge in cases and hospitalizations, which may lead to the adoption of new emergency measures. Disruptions caused by the imposition of these emergency measures may negatively impact the Company’s operations. At the same time, the continued spread of COVID-19 may negatively impact, among other things: the health and well-being of our personnel, local communities, social unrest and the Company’s ability to raise capital (which, in turn, could materially impact its business strategy) and to declare and pay dividends. Additionally, currency exchange rates have been volatile over the past year and the outlook for currencies remains difficult to anticipate given varying economic responses to the COVID-19 pandemic. Currently, Brazil has the world’s second highest death toll relating to COVID-19 behind the United States.

The uncertainty caused by the COVID-19 pandemic has tested many businesses’ risk frameworks. In response to the pandemic, Jaguar has: increased communication internally and externally; closely monitored the actual and potential impacts of COVID-19 on the Company’s operations; regularly engaged with the Board to monitor the ever-changing risk landscape in light of the pandemic; and implemented precautionary measures at its corporate offices, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing. While the Company continued utilizing its COVID-19 Action Plan, the operations have adapted to the safety rules and restrictions, and absenteeism has reduced to manageable levels. As of March 21, 2022, 97% of the Jaguar workforce had been partially or fully vaccinated.

Jaguar’s management will continue to monitor the situation regarding COVID-19 and may take actions that alter Jaguar’s business operations as may be required by federal, provincial or local authorities, or that management determines are in the best interests of Jaguar’s employees, customers, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to Jaguar's business, any of which could have a materially adverse effect on, among other things, Jaguar's operations or financial results. The extent to which COVID-19 and any other pandemic or public health crisis impacts Jaguar's business, affairs, operations, financial condition (including Jaguar's ability to raise funds), liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the effectiveness, acceptance and availability of vaccines, as well as the duration of associated immunity and efficacy of the vaccines against emerging variants of COVID-19, which may prolong the impacts of COVID-19 on the United States, Canadian and Brazilian economies, the mining industry and Jaguar (including its workforce).

Even after the COVID-19 pandemic has subsided, Jaguar may continue to experience adverse impacts to its business as a result of the pandemic's global economic impact, including any related recession, as well as lingering impacts on Jaguar's workforce, suppliers and third-party service providers.

Climate change-related risks.

The Company and the broader mining industry can face geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as seismic activity, severe weather and considerable rainfall, which may lead to periodic floods, mudslides and embankment instability, which could potentially result in, among other things, slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts including financial liability, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a materially adverse effect on the Company's results of operations and financial position.

Furthermore, the occurrence of physical climate change events may result in substantial costs to respond to and/or recover from an event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at the Company's operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change. The Company can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result.

In addition, as climate change is increasingly perceived as a broad societal and community concern, stakeholders may increase demands for emissions reductions and call-upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and future operations. The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires Management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Certain estimates, such as those related to the assessment of recoverability of the carrying amount of property, plant, equipment and mineral exploration projects, royalty receivable, valuation of recoverable taxes, deferred tax assets and liabilities, reclamation provisions, derivatives, liabilities associated with certain long-term incentive plans, measurement of inventory, provisions for legal actions and contingencies, and disclosure of contingent assets and liabilities depend on subjective or complex judgments about matters that may be uncertain. Changes in these estimates could materially impact the Company’s condensed interim consolidated financial statements.

The critical accounting estimates, judgments, and assumptions applied in the preparation of the Company’s audited annual consolidated financial statements for the year ended December 31, 2021, are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2020. For details of these estimates, judgments, and assumptions, please refer to the Company’s audited annual consolidated financial statements for the year ended December 31, 2021, which are available on the Company’s website and on SEDAR.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the President and Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), as appropriate to permit timely decisions regarding public disclosure.

The Company’s Management, including the CEO and CFO, has as at December 31, 2021, designed Disclosure Controls and Procedures (as defined in National Instrument 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made known to them by others, particularly during the period in which the interim filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of consolidated financial statements in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Company’s internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS as issued by the IASB;
- ensure the Company’s receipts and expenditures are made only in accordance with authorization of management and the Company’s directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the consolidated financial statements.

An evaluation of the effectiveness of the Company’s internal control over financial reporting, including an evaluation of material changes that may have materially affected or are reasonably likely to have materially affected the internal controls over financial reporting based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, was conducted as of December 31, 2021, by the Company’s management, including the CEO and CFO. Based on this evaluation, management, including the

CEO and the CFO, has concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

Limitations of Controls and Procedures

The Company's Management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. This forward-looking information includes, but is not limited to, statements concerning the Company's future objectives, Measured and Indicated Mineral Resources, Proven and Probable Mineral Reserves, their average grade, the commencement period of production, cash operating costs per ounce and completion dates of feasibility studies, gold production and sales targets, capital expenditure costs, future profitability and growth in mineral reserves. Forward-looking information can be identified by the use of words such as "are expected," "is forecast," "is targeted," "approximately," "plans," "anticipates," "projects," "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. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking information. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating gold prices and monetary exchange rates, the possibility of project delays and cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, uncertainties related to production rates, timing of production and the cash and total costs of production, changes in applicable laws including laws related to mining development, environmental protection, and the protection of the health and safety of mine workers, the availability of labour and equipment, the possibility of civil insurrection, labour strikes and work stoppages, changes in general economic conditions and the declaration, timing, amount and payment of potential future dividends. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking information, there may be other factors that could cause actions, events or results to differ from those anticipated, estimated or intended.

This forward-looking information represents the Company's views as of the date of this MD&A. The Company anticipates that subsequent events and developments may cause the Company's views to change. The Company does not undertake to update any forward-looking information, either written or oral, that may be made from time to time by, or on behalf of the Company, subsequent to the date of this discussion, other than as required by law. For a discussion of important factors affecting the Company, including fluctuations in the price of gold and exchange rates, uncertainty in the calculation of mineral resources, competition, uncertainty concerning geological conditions and governmental regulations and assumptions underlying the Company's forward-looking information, see "CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS" and "RISK FACTORS" in the Company's Annual Information Form for the year ended December 31, 2021, that can be accessed under the profile of Jaguar Mining Inc. on SEDAR at www.sedar.com. Further information about the Company is available on its corporate website at www.jaguarmining.com.