

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF JAGUAR MINING INC.

**SECOND REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR**

January 24, 2014

Osler, Hoskin & Harcourt, LLP
1 First Canadian Place
Toronto, Ontario
M5X 1B8

Marc S. Wasserman (LSUC#44066M)
Tel: (416) 862-4908
Email: mwasserman@osler.com

Michael De Lellis (LSUC#48038U)
Tel: (416) 862-5997
Email: mdelellis@osler.com

Solicitors for FTI Consulting Canada Inc.,
in its capacity as Monitor

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INTRODUCTION

1. On December 23, 2013 (the "**Filing Date**"), Jaguar Mining Inc. ("**Jaguar**", the "**Applicant**" or the "**Company**") filed for and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Pursuant to the Order of this Honourable Court dated December 23, 2013 (the "**Initial Order**"), FTI Consulting Canada Inc. was appointed as the Monitor of Jaguar (the "**Monitor**") in the CCAA proceedings (the "**CCAA Proceedings**"). The Initial Order provided, *inter alia*, for a stay of proceedings through to and including January 22, 2014 or such other date as this Honourable Court may order (the "**Stay Period**") for both Jaguar and its Subsidiaries. A copy of the Initial Order (without schedules) and the corresponding endorsement of the Honourable Justice Morawetz are attached as Appendices "A" and "B" hereto, respectively.

2. On the Filing Date, the Court also issued an Order authorizing the Company to establish a process for the identification and determination of claims against the Company and its

present and former directors and officers (the “**Claims Procedure Order**”), and an Order authorizing the Company to file a plan of compromise or arrangement and to convene a meeting of its affected unsecured creditors to consider and vote on the Plan (the “**Meeting Order**”). Copies of each of the Claims Procedure Order (without schedules), the Meeting Order (without schedules) and the plan of compromise or arrangement that was filed with this Honourable Court on December 23, 2013 (the “**Plan**”) are attached as Appendices “C”, “D” and “E” hereto, respectively.

3. On January 14, 2013, the Court issued an Order (the “**Stay Extension Order**”) approving an extension of the Stay Period to and including February 28, 2014, and amending the Initial Order to adopt the E-Service Protocol established by the Commercial List. Pursuant to the endorsement granted in respect of the Stay Extension Order, the Honourable Justice Thorburn noted that:

- (a) the granting of the Stay Extension Order is without prejudice to the right of the Plaintiffs in the 2012 Litigation (as defined herein) to bring a motion to lift the stay of proceedings in this CCAA Proceeding; and
- (b) the sealing provision in the Initial Order with respect to the sealing of Confidential Exhibits “A” and “B” (as defined therein) is continued.

4. A copy of the Stay Extension Order and the corresponding endorsement of the Honourable Justice Thorburn are attached as Appendices “F” and “G” hereto.

5. The following appendices have been attached to this second report of the Monitor (the “**Monitor’s Second Report**”):

- (a) Appendix A - Initial Order (without schedules);

- (b) Appendix B – Endorsement;
- (c) Appendix C – Claims Procedure Order (without schedules);
- (d) Appendix D – Meeting Order (without schedules);
- (e) Appendix E – the Plan;
- (f) Appendix F – Stay Extension Order;
- (g) Appendix G – Endorsement; and
- (h) Appendix H – January 4 Forecast (as defined herein).

PURPOSE

6. This Monitor's Second Report has been prepared pursuant to and as directed by section 23(1)(d.1) of the CCAA. The purpose of the Monitor's Second Report is to provide information to this Honourable Court and the Applicant's stakeholders in respect of the following:

- (a) an update on the state of Jaguar's business affairs;
- (b) an update on the state of Jaguar's financial affairs, including:
 - (i) an update regarding Jaguar's actual receipts and disbursements for the period from January 4, 2014 to January 17, 2014; and
 - (ii) an update regarding Jaguar's post-filing consolidated cash position and liquidity as detailed in the Company's January 4 Forecast;

- (c) an overview of the Renvest Facility (as defined herein) and an update regarding the Monitor's view regarding the validity, enforceability and perfection of the security granted by Jaguar in favour of Global Resource Fund in connection therewith;
- (d) an overview of the Plan filed on December 23, 2013 and distributed along with the Company's Information Circular and Proxy Statement (the "**Information Circular**") to the Company's Affected Unsecured Creditors who will ultimately vote on a resolution to approve the Plan at a meeting to be held on January 31, 2014 (the "**Meeting**");
- (e) an overview of the strategic review completed by Jaguar with the assistance of its financial and legal advisors prior to the CCAA Proceedings;
- (f) an overview of the liquidation or bankruptcy alternatives should the Plan not be approved and implemented;
- (g) the Monitor's commentary on the Plan; and
- (h) the Monitor's recommendation in respect of the Plan.

TERMS OF REFERENCE

7. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicant's books and records, certain financial information prepared by Jaguar (including the Liquidation Analysis, as defined below), certain minutes of the board of directors (the "**Board of Directors**") and the special committees established by the Board of Directors from time to time, discussions with the Applicant and its financial advisors in connection with the Plan and the strategic review

conducted by the Applicant (with the assistance of the Applicant's financial advisors) over the course of approximately the last two years and materials prepared by the Applicant and the Applicant's financial advisors, including various process updates, briefing notes and discussion materials. The Monitor has had discussions with various parties, including the Applicant's senior management, counsel to the Applicant, counsel to the Ad Hoc Committee, counsel to the special committee established by the Board of Directors in May 2013, the Trustees, the Solicitation/Election Agent (as defined in the Meeting Order), the Applicant's financial advisor and counsel to the Plaintiffs in the 2012 Litigation.

8. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Plan.

GENERAL BACKGROUND

10. The Applicant is the parent company in the Jaguar Group (as defined in the Information Circular) that is engaged in the acquisition, exploration, development and operation of gold producing properties in Brazil. The Jaguar Group also owns additional mineral resources at its approximate 210,000-hectare land base in Brazil. The parent company itself does not carry on active gold mining operations (other than through its Subsidiaries) and its registered office is located in Toronto, Canada.

11. Jaguar is a public company with shares listed on the Toronto Stock Exchange (“TSX”) under the symbol “JAG” prior to the CCAA Proceedings. As of the Filing Date, 86,396,356 common shares were issued and outstanding and trading on the TSX. Trading of the common shares of Jaguar has been suspended since December 23, 2013 and the Monitor understands that trading will remain suspended until the Applicant’s expected delisting on February 10, 2014.

12. To avoid unnecessary duplication, please refer to the pre-filing report of the proposed Monitor dated December 21, 2013 (the “**Pre-Filing Report**”), the affidavit of David M. Petroff, the Chief Executive Officer of the Applicant, sworn December 23, 2013 and filed in support of the CCAA Proceedings (the “**Petroff Affidavit**”), the First Report of the Monitor dated January 13, 2014 (the “**Monitor’s First Report**”) and the affidavit of T. Douglas Willock, the Chief Financial Officer of the Company, sworn January 8, 2014 (the “**Willock Affidavit**”) and filed in support of the extension of the Stay Period to and including February 28, 2014 for additional information relating to the background of the Applicant and the Jaguar Group.

JAGUAR’S BUSINESS AFFAIRS

13. The Applicant’s business affairs over approximately the last two years include:
- (a) in November 2011, an independent committee comprised of three members of the Board of Directors was established to consider strategic matters relating to the Applicant and the Applicant retained J.P. Morgan Securities LLC (“**JPM**”) as its financial advisor;

- (b) since 2012, there has been a turnover of the Applicant's senior management and Board of Directors. A new chief executive officer was appointed in 2012, along with a new chief financial officer and chief operating officer in 2013;
- (c) in May 2012, the Applicant announced the implementation of a comprehensive restructuring and turnaround plan and Canaccord Genuity Corp. ("Canaccord") was retained to act as the Applicant's financial advisor in connection with a potential sale, transfer, divestiture, joint venture or similar transaction involving the Applicant's interest in the Gurupi Project;
- (d) in May 2013, the Applicant retained Canaccord in connection with the design and implementation of a recapitalization strategy for Jaguar;
- (e) in August 2013, the Applicant entered into discussions with the Ad Hoc Committee regarding a recapitalization and financing proposal;
- (f) in November 2013, the Applicant issued press releases indicating that its Board of Directors had approved a term sheet outlining the terms of a recapitalization plan, and that it had entered into the Support Agreement. The press release described the terms of the recapitalization plan;
- (g) on December 2, 2013, the Applicant committed an event of default under the 4.5% Convertible Note Indenture as a result of the non-payment of approximately \$3.7 million of interest. As a result of this event of default certain remedies became available, including possible acceleration of the principal amount and accrued and unpaid interest on the convertible notes issued pursuant to the 4.5%

Convertible Note Indenture. As at November 30, 2013, that principal and accrued interest totalled approximately \$169.3 million; and

- (h) on December 13, 2013, FTI Consulting Canada Inc. was retained by the Applicant to provide certain financial advisory and consulting services.

14. The Monitor's First Report contained a further update on Jaguar's activities since the commencement of the CCAA Proceedings as they relate to:

- (a) notice received by the Applicant of the TSX's intention to delist the Applicant's securities effective at the close of market on February 10, 2014; and
- (b) changes to the Applicant's General Counsel and Corporate Secretary and the intention to obtain additional support from its existing external legal counsel as an interim measure.

15. Since the commencement of the CCAA Proceedings, U.S counsel and Canadian counsel to the Plaintiffs in the 2012 Litigation (as defined herein) have reached out to the Monitor, the Company and the Ad Hoc Committee. The parties continue to hold discussions in respect of the potential claim of the Plaintiffs in the 2012 Litigation and its treatment under the Plan.

16. In addition, the Applicant and the Monitor have continued to maintain open lines of communication with multiple third parties and/or creditors, including:

- (a) legal counsel to Global Resource Fund;
- (b) the Canada Revenue Agency;

- (c) third parties with potential claims;
- (d) counsel to the Ad Hoc Committee;
- (e) the financial advisor to the Ad Hoc Committee; and
- (f) existing service providers.

17. The Monitor is satisfied that since the Filing Date, creditors, employees and service providers to Jaguar continue to be dealt with in the normal course. Jaguar continues to fulfill its interest payment obligations in respect of the Renvest Facility, and the Renvest Facility remains current.

18. In addition to the communication and reporting mechanisms established and identified in the Monitor's First Report, the Monitor has continued to monitor the activities of the Applicant in Toronto, Canada. The Monitor has also engaged in further discussions with management in Belo Horizonte, Brazil.

19. Nothing has come to the attention of the Monitor that would suggest that the Company has not been in compliance with the terms of the Initial Order, the Claims Procedure Order, the Meeting Order and/or the CCAA generally.

JAGUAR'S FINANCIAL AFFAIRS

20. Since the Filing Date, the Monitor has continued reviewing the actual receipts and disbursements of Jaguar as well as Jaguar's cash flow statements.

ACTUAL RECEIPTS AND DISBURSEMENTS FOR THE PERIOD FROM JANUARY 4, 2014 TO JANUARY 17, 2014

21. Since the Filing Date, the Monitor has been working with the Company to review disbursements and manage its cash spend during the CCAA Proceedings. Given the nature of the CCAA Proceedings and the fact that the Company has no operations, the majority of the projected cash outflow during the CCAA Proceedings consists of professional fees.

22. The Company's actual net cash flow for the period from January 4, 2014 to January 17, 2014 (the "Current Period") together with an explanation of key variances as compared to the Cash Flow Forecast can be found below. Actual net cash flows for the Current Period were approximately \$690,000 higher than forecast and are summarized as follows:

\$000 CAD	Forecast	Actual	Difference
Cash Inflow			
Other	-	59	59
Total Cash Inflow	\$ -	\$ 59	\$ 59
Cash Outflow			
Payroll & Benefits	(65)	(77)	(12)
Board & Committee Fees	(46)	(18)	28
Rent, Communications & Utilities	(8)	(1)	7
Interest Fees	-	-	-
Legal & Professional Fees	(105)	(60)	45
Other	(60)	(55)	5
Total Cash Outflow	\$ (283)	\$ (211)	\$ 72
Restructuring Costs			
Legal & Professional Fees	(749)	(190)	559
Total Restructuring Fees	\$ (749)	\$ (190)	\$ 559
Net Cash Flow	\$ (1,032)	\$ (342)	\$ 690
Opening Cash Balance	3,397	3,397	0
Net Cash Flow	(1,032)	(342)	690
Unrealized FX gain/(loss)	-	76	76
Ending Cash Balance	\$ 2,365	\$ 3,131	\$ 766

23. The variance in actual receipts and disbursements is comprised primarily of a positive variance of approximately \$600,000 in Legal & Professional Fees. This variance is temporary in nature and is expected to reverse as bills are received by Jaguar.

THE COMPANY'S REVISED CASH FLOW FORECAST

24. The Company had prepared a revised cash flow forecast for the period from January 4, 2014 to February 28, 2014 (the "**January 4 Forecast**"). A copy of the January 4 Forecast was attached to the Monitor's First Report and has been attached as Appendix "H" hereto.

25. It is anticipated that the Applicant's projected liquidity requirements through to the proposed implementation of the CCAA Plan during the CCAA Proceedings will be met by existing cash available to the Applicant, provided that the implementation of the CCAA Plan occurs prior to February 28, 2014.

26. Nothing has come to the Monitor's attention to indicate that there has been any change in the Applicant's financial situation since the commencement of the CCAA Proceedings. As identified from the outset, the Applicant advised that it would have no means of repaying or re-financing its obligations if they were accelerated, and that the Applicant was facing a foreseeable liquidity crisis that could not be resolved without a Court-supervised solution.

OVERVIEW OF THE RENVEST FACILITY AND THE RELATED SECURITY GRANTED BY JAGUAR

27. Global Resource Fund established a non-revolving bridge loan facility (the "**Renvest Facility**") in the amount of \$30,000,000 pursuant to a credit agreement dated December 17, 2012 (the "**Credit Agreement**"). The Credit Agreement is between the Applicant as borrower, the Subsidiaries as guarantors, and Global Resource Fund as lender.

28. As more particularly described in the Information Circular, the Company made (a) an initial drawdown of \$5,000,000 on the Renvest Facility on January 25, 2013 and it concurrently issued 570,919 Common Shares to Global Resource Fund; and (b) a subsequent drawdown of the remaining \$25,000,000 on the Renvest Facility on June 26, 2013 and it also issued another 1,315,789 Common Shares to Global Resource Fund. Interest applies to the outstanding balance of all amounts drawn down from the Renvest Facility at a fixed rate of 11% per annum, payable monthly in arrears. The Renvest Facility matures in July, 2014.

29. The Monitor is advised that the obligations under the Renvest Facility are secured by a general security agreement from the Applicant in favour of Global Resource Fund as well as certain collateral security granted by the Subsidiaries.

30. The Monitor is advised by counsel to the Applicant that the Applicant's assets solely consist of (a) bank accounts in the name of the Applicant that are located in Toronto, Ontario; (b) claims being pursued by the Applicant against third parties in the United States; and (c) uncertificated shares in the Brazilian Subsidiaries (the "**Subsidiary Shares**").

31. As evidenced by the January 4 Forecast, the majority of the monies in the Applicant's bank accounts will be utilized as part of the CCAA Proceedings and are also subject to the Charges granted pursuant to the Initial Order. In addition, the Plan does not purport to affect the claims being pursued by the Applicant against third parties in the United States. The Applicant's primary personal property that will exist immediately prior to the Implementation Time are the Subsidiary Shares.

32. The Monitor has been informed that Jaguar and the Subsidiaries took the necessary steps to grant a security interest in the Subsidiary Shares in favour of Global Resource Fund pursuant to various "Quota Pledge Agreements" that are governed by the laws of Brazil

(the “**Subsidiary Share Security**”). The Monitor is in the process of retaining Brazilian counsel to review the validity, enforceability and perfection of the Subsidiary Share Security. The Monitor has discussed the scope of the proposed review of the Subsidiary Share Security with counsel to both the Applicant and the Ad Hoc Committee. The Applicant was provided with a security opinion dated January 25, 2013 by its Brazilian counsel in respect of, among other things, the Subsidiary Share Security (the “**Applicant’s Existing Subsidiary Share Security Opinion**”). Given the limited financial resources of the Applicant, the parties agreed that the Monitor would retain independent Brazilian counsel to review the Applicant’s Existing Subsidiary Share Security Opinion and take whatever additional steps were necessary to confirm that the Subsidiary Share Security is valid, enforceable and perfected. The Monitor will report to this Honourable Court on this matter upon being advised by its independent Brazilian counsel.

OVERVIEW OF THE PLAN

33. The Plan is the result of extensive negotiations between the Applicant and the Ad Hoc Committee and their respective financial and legal advisors. The Monitor was not involved in the development of the Plan.

Summary of the Plan

34. As reported in the Monitor’s First Report, this Honourable Court granted the Meeting Order on December 23, 2013, which accepted the Plan for filing and authorized the Applicant to convene the Meeting.

35. The purpose of the Plan is to facilitate the continuation of the business of the Jaguar Group as a going concern, address certain liabilities of the Applicant and effect a recapitalization and financing transaction on an expedited basis to provide a stronger financial

foundation and additional liquidity for the Jaguar Group. The additional liquidity for the Jaguar Group will allow it to continue to work towards its operational and financial goals from and after the Implementation Date in the expectation that all Persons with an economic interest in the Jaguar Group will derive a greater benefit from the implementation of the Plan than would otherwise result.

36. As more particularly described in the Information Circular, the Plan contemplates, among other things, that:

- (a) the entire outstanding principal amount of the Notes (being approximately \$268.5 million) and potentially certain other unsecured claims would be compromised and extinguished in exchange for equity in Jaguar; and
- (b) approximately \$50 million of new equity will be raised by way of a backstopped share offering (the “**Share Offering**”) to Eligible Investors.

37. Accordingly, the Plan is expected to result in (a) a reduction of total pro forma debt from approximately \$323 million as at September 30, 2013 to approximately \$54.5 million upon completion of the Plan and (b) a reduction of projected annual cash interest payments by approximately \$13.1 million.

38. In order to achieve the above results, the Plan contemplates that several events and transactions will occur or be deemed to have occurred in the specific sequence set out in the Plan, commencing at the Implementation Time, including:

- (a) the Articles of Reorganization will be filed under the *Business Corporations Act* (Ontario) to amend the Applicant’s articles and effect a consolidation of issued and outstanding existing Common Shares (as more particularly described below);

- (b) the Shareholder Rights Plan and all rights issued pursuant to it, any and all Existing Share Options and the Stock Option Plan will be cancelled;
- (c) the deferred share unit plan for non-executive directors (the “**DSU Plan**”) and/or the restricted share unit plan for senior officers, employees and consultants (the “**RSU Plan**”) will be dealt with in a manner acceptable to the Majority Consenting Noteholders, which may include termination of those plans;
- (d) all Equity Claims will be compromised, released, discharged and cancelled;
- (e) the Applicant will issue the New Common Shares (as more particularly described herein) in exchange for the full and final settlement and extinguishment of the Noteholders Allowed Claim and other Affected Unsecured Claims as at the Implementation Date, the cancellation of the Notes and Indentures (except to the extent expressly set forth in section 6.07 of the Indentures dealing with the Trustees’ claims), and the receipt of consideration from the Participating Eligible Investors and the Funding Backstop Parties;
- (f) the releases and injunctions referred to in section 11 of the Plan shall become effective; and
- (g) the directors of Jaguar immediately prior to the Implementation Time will be deemed to have resigned and the New Board will be deemed to have been appointed.

39. The primary stakeholders being affected by the Plan are:

- (a) the Affected Unsecured Creditors holding Affected Unsecured Claims, which are all Claims against the Applicant that are not Equity Claims and, for greater certainty, are not Excluded Claims. The primary Affected Unsecured Creditors are the Noteholders, ordinary trade creditors of the Applicant, and Daniel R. Titcomb, Robert J. Lloyd, James M. Roller, William E. Dow, Jeffrey Kirchhoff and Brazilian Resources Inc. (collectively, the “**Plaintiffs in the 2012 Litigation**”) in connection with that portion of the litigation commenced on March 27, 2012 (the “**2012 Litigation**”), if any, that is not based on an Equity Claim, in each case to the extent that the Claims of such parties are proven in accordance with the Claims Procedure Order;
- (b) the Existing Shareholders; and
- (c) the holders of Equity Claims.

Treatment of Stakeholders under the CCAA Plan

40. Following the Implementation Time, there will be 111,111,111 Common Shares, including:

- (a) the issuance, in the aggregate, of 110,111,111 Common Shares (collectively, the “**New Common Shares**”), which will be comprised of:
 - (i) the Share Offering, which will result in the issuance of 70,955,797 New Common Shares (the “**Offering Shares**”) and which will account for approximately 63.9% of the common equity of Jaguar;

- (ii) the issuance of 14,000,000 New Common Shares (the “**Unsecured Creditor Common Shares**”), which will account for approximately 12.6% of the common equity of Jaguar;
 - (iii) the issuance of 9,044,203 New Common Shares (the “**Accrued Interest Offering Shares**”), which will account for approximately 8.1% of the common equity of Jaguar;
 - (iv) the issuance of 5,000,000 New Common Shares (the “**Early Consent Shares**”), which will account for approximately 4.5% of the common equity of Jaguar; and
 - (v) the issuance of 11,111,111 New Common Shares (the “**Backstop Commitment Shares**”), which will account for approximately 10% of the common equity of Jaguar; and
- (b) a consolidation of Existing Shares that will result in each Existing Shareholder retaining a share of 1,000,0000 replacement Common Shares, which will account for approximately 0.9% of the common equity of Jaguar.

41. However, no certificates representing fractional Common Shares shall be allocated under the Plan, and fractional share interests shall not entitle the owner thereof to vote or to any rights as a shareholder of the Applicant.

42. The number of post-Implementation Time Common Shares that will be distributed to the Affected Unsecured Creditors, the Existing Shareholders and the Funding Backstop Parties will vary depending on various factors, as more particularly described below.

43. The Plan contemplates that each Affected Unsecured Creditor will receive its Pro Rata Share of the Unsecured Creditor Common Shares. Pre-filing trade creditor claims (“**Trade Claims**”) constitute Affected Unsecured Claims under the Plan.

44. Affected Unsecured Creditors that are Noteholders will also receive additional shares in the following circumstances:

- (a) each Noteholder that executed the Support Agreement or a consent agreement thereto as of November 26, 2013 will receive its Pro Rata Share of the Early Consent Shares;
- (b) each Noteholder that is a Participating Eligible Investor and/or a Funding Backstop Party will receive its Pro Rata Share of the Accrued Interest Offering Shares. However, the Plan provides that such Noteholders cannot receive a greater number of Accrued Interest Offering Shares than Offering Shares;
- (c) each Noteholder that is a Participating Eligible Investor and/or Funding Backstop Party that receives less Accrued Interest Offering Shares than Offering Shares will receive, on a *pro rata* basis, Accrued Interest Offering Shares that are not allocated due to other Noteholders being limited from receiving a greater number of Accrued Interest Offering Shares than Offering Shares; and
- (d) each Noteholder that is a Funding Backstop Party will receive its Pro Rata Share of the Backstop Commitment Shares.

45. Each Funding Backstop Party that is not a Noteholder, if any, shall receive its Backstop Commitment Shares as a fee.

46. In addition to the above, each Participating Eligible Investor and Funding Backstop Party who decide to purchase Offering Shares will receive their Participating Eligible Investor Shares and/or Pro Rata Share of the Backstopped Shares, as the case may be.

47. As described above, each Existing Shareholder will retain its Existing Shares, subject to the Common Share Consolidation, which will result in each Existing Shareholder retaining its share of 1,000,000 post-consolidation Common Shares. The Monitor has been informed that this will facilitate the ability of the Applicant to meet the criteria for the minimum number of shareholders and board lot size required for a listing on certain public stock exchanges.

48. Holders of Equity Claims will not receive any consideration or distributions under the Plan in respect of their Equity Claims. However, Existing Shareholders will retain their Existing Shares, subject to the Common Share Consolidation, as described above.

49. The Plan does not affect the holders of Excluded Claims to the extent of those Excluded Claims. The claims of Global Resource Fund under the Renvest Facility are Excluded Claims. However, the Plan provides that all Crown Claims in respect of amounts that were outstanding at the Filing Date will be paid in full to the Crown within six months of the Sanction Order. The Plan further provides that the Applicant will pay all Employee Priority Claims to its employees and former employees immediately after the date of the Sanction Order.

Conditions Precedent

50. The implementation of the Plan is conditional upon the fulfillment, satisfaction or waiver (to the extent permitted) of numerous conditions. Set out below is a summary of some of the more material conditions precedent:

- (a) the Court shall have granted the Sanction Order, the operation and effect of which shall not have been stayed, reversed or amended, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court, which condition cannot be waived under the Plan;
- (b) all senior officer and employee employment agreements shall have been modified to reflect the revised capital structure of the Applicant following implementation of the Plan, including, without limitation, to provide that the implementation of the Plan does not constitute a change of control under such agreements and no change of control payments shall be owing or payable to the Applicant's officers or employees in connection with the implementation of the Plan;
- (c) the DSU Plan and the RSU Plan shall have been addressed in a manner acceptable to the Applicant and the Majority Consenting Noteholders;
- (d) the New Common Shares shall have been conditionally approved for listing on the TSX, the TSXV or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders without any vote or approval of the Existing Shareholders, subject only to receipt of customary final documentation;
- (e) all conditions to implementation of the Plan set out in the Backstop Agreement shall have been satisfied or waived in accordance with their terms and the Backstop Agreement shall not have been terminated, which conditions can only be waived by the Applicant and the Majority Backstop Parties and include, *inter alia*:

- (i) the Backstoppers shall have completed their due diligence with respect to the Share Offering on or before seven Business Days prior to the Implementation Date and such due diligence shall be satisfactory to the Backstop Parties in their sole discretion;
 - (ii) the Share Offering must be completed on or before February 28, 2014, or such other date as the Applicant and the Backstoppers may agree to in writing (the “**Outside Date**”);
 - (iii) the Backstop Shortfall (as defined in the Backstop Agreement), after assumption of all or part of the Backstop Commitments of the Defaulting Backstoppers, Objecting Backstoppers and/or Breaching/Non-Delivering Backstoppers (each as defined in the Backstop Agreement), if any, shall not be material; and
 - (iv) the Consenting Noteholders shall not determine that there is no reasonable prospect that the conditions set forth in section 7 of the Backstop Agreement will be satisfied or waived by the Outside Date;
- (f) all conditions to implementation of the Plan set out in the Support Agreement shall have been satisfied or waived in accordance with their terms, such conditions including, *inter alia*:
- (i) the Credit Agreement, the other Credit Documents (as defined in the Credit Agreement) and the Brazilian Credit Agreements (as defined in the Support Agreement) shall have been amended (including, without limitation, by extending the applicable maturity dates) on or prior to ten

Business Days prior to the Implementation Date, on terms acceptable to the Majority Backstop Parties;

- (ii) the Consenting Noteholders shall be satisfied, in their sole discretion, with the results of their due diligence regarding the Applicant, the Subsidiaries and their respective businesses prior to the Voting Deadline;
- (iii) the milestone timeline set out in the Support Agreement and described in the Pre-Filing Report (as such milestone timeline may be amended) shall have been achieved;
- (iv) there shall not exist or have occurred any Material Adverse Change (as defined in the Support Agreement);
- (v) the Applicant must be satisfied by January 22, 2014 that the Transaction will proceed to completion on or before the Outside Date;
- (vi) the composition and size of the board of directors for Jaguar effective as of the Implementation Date shall be satisfactory to the Majority Backstop Parties;
- (vii) the Consenting Noteholders shall be satisfied that the New Common Shares, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and in the issuance thereof shall be in compliance with applicable securities laws;
- (viii) the terms of any Management Incentive Plan (as defined in the Support Agreement) shall be acceptable to the Majority Backstop Parties; and

- (ix) the Consenting Noteholders must not have determined that there is no reasonable prospect of the conditions in the Support Agreement being satisfied or waived by the applicable deadlines;
- (g) the Support Agreement shall not have been terminated; and
- (h) the issuance of the Unsecured Creditor Common Shares and Early Consent Shares shall be exempt from registration under the US Securities Act pursuant to the provisions of section 3(a)(10) of the US Securities Act.

Meeting and Voting

51. Pursuant to the Meeting Order, the Meeting was to be held on January 28, 2014 at the offices of Norton Rose Fulbright Canada LLP, 200 Bay Street, Suite 3800, Toronto, Ontario, Canada M5J 2Z4 at 10:00 a.m. in order to consider and vote on a resolution to approve the Plan. The Meeting will be adjourned by the Chair (as defined herein) to January 31, 2014 pursuant to and in accordance with the Meeting Order.

52. Subject to the terms of any further Order in the CCAA Proceedings, the only Persons entitled to notice of, to attend or to speak at the Meeting are the Affected Unsecured Creditors holding Voting Claims or Disputed Voting Claims (or their respective duly appointed proxyholders), representatives of the Monitor, the Applicant, the Consenting Noteholders, the Trustees, all such parties' financial and legal advisors, Greg Watson or a representative designated by the Monitor to preside as chair of the Meeting (the "Chair"), the person designated by the Monitor to act as secretary at the Meeting and any scrutineers appointed by the Monitor (the "Scrutineers"). Any other person may be admitted to the Meeting only by invitation of the Applicant or the Chair.

53. For the purposes of considering and voting on the Plan, there will be one class of stakeholders that consists of the Affected Unsecured Creditors (the “**Affected Creditor Class**”).

54. For the purpose of voting at the Meeting, each Affected Unsecured Creditor will be entitled to one vote as a member of the Affected Creditor Class and the Voting Claim of each Beneficial Noteholder shall be deemed to be its Noteholder’s Allowed Claim as at December 19, 2013. Registered Holders of Notes, in their capacities as such, will not be entitled to vote at the Meeting.

55. An Affected Unsecured Creditor that holds a Disputed Voting Claim as of the date of the Meeting may attend the Meeting and the Disputed Voting Claim may be voted by the Affected Unsecured Creditor (or its duly appointed proxyholder) in accordance with the provisions of the Meeting Order, without prejudice to the rights of the Applicant, the Monitor or the holder of the Disputed Voting Claim with respect to the final determination of the Disputed Claim (as defined in the Claims Procedure Order) for distribution purposes. Such vote will be separately tabulated, provided that votes cast in respect of any Disputed Voting Claim will not be counted for any purpose unless, until and only to the extent that such Disputed Voting Claim is finally determined to be a Voting Claim.

56. In order to be approved, the Plan must receive the affirmative vote of a majority in number of the Affected Unsecured Creditors representing at least two thirds in value of the Voting Claims of Affected Unsecured Creditors who are entitled to vote at the Meeting and who are voting in person or by proxy (the “**Required Majorities**”).

57. Following the votes at the Meeting, the Scrutineers shall tabulate the votes and the Monitor shall determine whether the Plan has been accepted by the Required Majorities. The

Monitor will file a report with the Court by no later than one Business Day after the Meeting or any adjournment thereof, as applicable, with respect to the results of the vote, including whether:

- (a) the Plan has been accepted by the Required Majorities in the Affected Creditor Class; and
- (b) whether the votes cast in respect of Disputed Voting Claims, if applicable, would affect the result of the vote.

58. Pursuant to the Meeting Order, if the votes cast by the holders of Disputed Voting Claims would affect whether the Plan has been approved by the Required Majorities:

- (a) the Applicant or the Monitor may request the Court to direct an expedited determination of any material Disputed Voting Claims, as applicable;
- (b) the Applicant may request that the Court defer the date of the Sanction Hearing (as defined in the Meeting Order);
- (c) the Applicant may request that the Court defer or extend any other time periods in the Meeting Order or the Plan; and/or
- (d) the Applicant or the Monitor may seek such further advice and direction as may be considered appropriate.

CCAA Plan Releases

Releases in favour of Released Parties

59. The Plan provides for releases on the Implementation Date in favour of, *inter alia*, the Applicant, the Subsidiaries, and each of their respective financial advisors, legal counsel and

agents, the Monitor, legal counsel to the Monitor, and legal counsel to the special committee of the Board of Directors of the Applicant (collectively, the “**Released Parties**”) in relation to any act, omission or occurrence existing or taking place on or prior to the Implementation Date, provided that:

- (a) a Released Party will not be released if it is adjudged to have committed fraud or wilful misconduct; and
- (b) the Applicant and the Subsidiaries will not be released from or in respect of any Excluded Claim, its obligations to Affected Unsecured Creditors under the Plan or its obligations under the Backstop Agreement and Support Agreement.

Releases in favour of Noteholder Released Parties

60. The Plan provides for releases at the Implementation Time in favour of, *inter alia*, each of the Noteholders, the Ad Hoc Committee, the Trustees, and each of their respective present and former shareholders, officers and directors, the Trustees’ counsel and the Advisors (collectively, the “**Noteholder Released Parties**”), provided that a Noteholder Released Party will not be released in respect of its obligations under the Plan, the Backstop Agreement, the Support Agreement, or any Election Form. A Noteholder Released Party will also not be released if it is adjudged to have committed fraud or wilful misconduct.

Compromise of Claims

61. On the Implementation Date, the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and/or barred:

- (a) all Affected Unsecured Claims; and

- (b) all Equity Claims.

62. In addition, on the Implementation Date, the Plan provides that all Director/Officer Claims against the current directors and officers of the Applicant and such other directors and officers as agreed to by the Majority Consenting Noteholders on or before four days prior to the Meeting (collectively, the “**Named Directors and Officers**”), and for greater certainty, excluding:

- (a) Director/Officer Claims in respect of which a Director or Officer has been adjudged to have committed fraud or wilful misconduct; and
- (b) Section 5.1(2) Director/Officer Claims (though such claims are Excluded Claims, Section 5.1(2) Director/Officer Claims that are pursued against any Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect thereof, as described below);

shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

63. The Plan also provides that on the Implementation Date, all Director/Officer Indemnity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

Other Matters

64. The CCAA Plan does not include any provision that sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 do not apply in respect of the CCAA Plan.

Sanction

65. If the Plan is approved by the Required Majorities, the Applicants will apply to the court for the Sanction Order. The Applicant is currently scheduled to bring a motion for the Sanction Order on February 3, 2014.

MONITOR'S COMMENTARY ON THE PLAN

Conditions Precedent to the Plan

66. As more particularly described above, the Plan is subject to numerous conditions precedent that must be satisfied or waived prior to the relevant applicable time and in any event, prior to the Implementation Date. A number of the conditions precedent to the Plan are beyond the control of the Applicant.

67. The Monitor is informed by counsel to Jaguar and by counsel to the Ad Hoc Committee that discussions are ongoing between the applicable parties regarding the outstanding conditions precedent. In addition, while conditions precedent to the Plan continue to remain outstanding and may not be satisfied or waived, counsel to Jaguar and counsel to the Ad Hoc Committee both independently informed the Monitor that there are not any conditions precedent which are outstanding that, as of the date of this Monitor's Second Report, have no reasonable prospect of being satisfied.

Treatment of Directors and Officers

Claims to be Released

68. As more particularly described above, the Plan does not contemplate that Director/Officer Claims against Directors and/or Officers that are not Named Directors and

Officers (collectively, the “**Other Directors and/or Officers**”) will be compromised, released, discharged, cancelled and barred. As at the date hereof, the only Named Directors and Officers are the current Directors and Officers of the Company. Accordingly, all other Directors and Officers of the Company will not get the benefit of having Claims against them be compromised, released, discharged, cancelled and barred. However, the Plan does provide that Other Directors and/or Officers may become Named Directors and Officers if the Majority Consenting Noteholders so agree on or before four days prior to the Meeting, in which case, such Directors and Officers would then get the benefit of the release.

69. Similarly, the Plan provides that the Non-Released Director/Officer Claims will not be compromised, released, discharged, cancelled and barred. Non-Released Director/Officer Claims are defined in the Plan to be Director/Officer Claims against the Directors and Officers of Jaguar in respect of which such Director or Officer has been adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct

Section 5.1(2) Director/Officer Claims

70. Section 5.1(2) of the CCAA provides for an exception to the principle that a plan of compromise or arrangement made in respect of a debtor company may include in its terms provision for the compromise of claims against directors of the debtor company that arose before the commencement of proceedings under the CCAA and that relate to the obligations of the debtor company where the directors are by law liable in their capacity as directors for the payment of such obligations. The exception provides that a provision for the compromise of claims against directors may not include claims that (a) relate to contractual rights of one or more

creditors; or (b) are based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.

71. Although the Plan provides that Section 5.1(2) Director/Officer Claims are Excluded Claims, if such a Claim is pursued against any Named Directors and Officers, it shall be limited to recovery from any insurance proceeds payable in respect thereof. Any Persons with any such Section 5.1(2) Director/Officer Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar or any of its Subsidiaries) other than enforcing such Person's right to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).

Trade Claims

72. As described above, Trade Claims will constitute Affected Unsecured Claims under the Plan. Accordingly, holders of valid Trade Claims will receive their Pro Rata Share of the Unsecured Creditor Common Shares as full and final settlement of their Trade Claims under the Plan. The Plan does not provide for cash distributions in respect of Trade Claims.

Backstop Shortfall Risk

73. As described above, the Plan contemplates that approximately \$50 million of new equity will be raised by way of the Share Offering. The Share Offering is backstopped pursuant to the Backstop Agreement. However, the Backstop Agreement provides that the Backstop Parties may terminate their obligations under the Backstop Agreement in certain circumstances. In the event that Backstop Parties terminate their obligations under the Backstop Agreement and such obligations (and corresponding rights) are not assumed by another party pursuant to the Backstop Agreement, there will be a Backstop Shortfall. Accordingly, it is possible that the Share Offering may not generate the full \$50 million of anticipated new liquidity, and such result

may impact the liquidity of the Applicant following the Implementation Date. To the extent that the Backstop Shortfall is not material, the Backstop Parties are still required to fund their portion of the Share Offering. Conversely, if the Backstop Shortfall is material, then a condition precedent to the Plan will not have been satisfied and a waiver of such condition precedent would be required in order for the Plan to be implemented. The Monitor notes that there is no discussion of what is “material” in the Backstop Agreement in respect of the Backstop Shortfall.

Plaintiffs in the 2012 Litigation

74. Since the commencement of the CCAA Proceedings, U.S counsel and Canadian counsel to the Plaintiffs in the 2012 Litigation have had discussions with the Monitor, the Applicant, the Ad Hoc Committee and their respective counsel. During the motion on January 14, 2014 in connection the Applicant’s request for the Stay Extension Order, Canadian counsel to the Plaintiffs in the 2012 Litigation expressed their view that the claim of the Plaintiffs in the 2012 Litigation is an Excluded Claim under the Plan. The Monitor is informed that counsel to the Applicant and counsel to the Ad Hoc Committee do not agree with this position. The Monitor is participating in discussions with counsel to the Plaintiffs in the 2012 Litigation, the Applicant and the Ad Hoc Committee in respect of the claim of the Plaintiffs in the 2012 Litigation and its treatment under the Plan.

75. The Plaintiffs in the 2012 Litigation take the position that part of its claim is a Section 5.1(2) Director/Officer Claim. The Monitor notes that if the Plan is approved and the 2012 Litigation constitutes a Section 5.1(2) Director/Officer Claim, the Plaintiffs would be limited in recovery as against the Named Directors and Officers to any insurance proceeds payable in respect thereof.

OVERVIEW OF JAGUAR'S STRATEGIC REVIEW PROCESS

76. In November 2011, a special committee was established by the Board of Directors to consider strategic matters relating to Jaguar. That special committee received advice from its independent legal counsel, from Jaguar's legal counsel at that time¹ and from Jaguar's financial advisor, JPM.

77. The strategic alternatives that this special committee considered, included:

- (a) a Company sale;
- (b) an asset sale;
- (c) raising third party capital; and
- (d) a comprehensive restructuring.

78. In May 2012, Canaccord was subsequently retained by the Applicant to act as its financial advisor in connection with a potential sale, transfer, divestiture, joint venture or similar transaction involving the Applicant's interest in the Gurupi Project.

79. In addition, the Company implemented cost reduction initiatives, which included taking steps to place its Paciencia mine on care and maintenance in May 2012.

80. In order to fairly assess each of the alternatives, the special committee of the Board of Directors of the Applicant took into consideration a number of factors impacting each of the potential alternatives, including, but not restricted to, the following:

- (a) the average price of gold;

¹ The Monitor has been informed that Norton Rose Fulbright Canada LLP was retained in early 2013.

- (b) the existing depressed gold environment;
- (c) the existing regulatory and political landscape in Brazil;
- (d) the status of mine operations; and
- (e) the existing cash and human capital constraints

Company Sale (Sale of All or Substantially All of the Company's Assets)

81. The Monitor understands that the special committee of the Board of Directors of the Applicant actively pursued potential change of control transactions and additional acquisition opportunities beginning in late 2011 and ending in May 2012.

82. Starting in November 2011, Jaguar received a proposal for a change in control transaction from an interested party located in Asia (the "**November Interested Party**"). Ultimately, the Board of Directors determined that it was not in the best interests of the Company and its shareholders to accept the proposal and therefore they did not pursue the proposal further.

83. The Company did, however, initiate a process to assess potential change of control and/or other strategic transactions. The Company and its financial advisor at the time, JPM, contacted or were contacted by approximately twenty-two parties. Five of the parties executed confidentiality agreements and were provided access to a data room. Three of the parties conducted site visits in Brazil.

84. The special committee of the Board of Directors of the Applicant held seventeen meetings throughout the process described above. The process culminated in a proposal being submitted by one party, who was located in North America and interested in an acquisition.

Despite continued discussions, site visits and access to due diligence information over the following months, this interested party subsequently advised the Company of its intention not to continue pursuing the transaction in April 2012.

85. The Company subsequently reached out to the November Interested Party to determine if they were still interested in pursuing a change of control transaction. Despite ongoing communication and exchange of draft documents, the November Interested Party ultimately advised the special committee of the Board of Directors of the Applicant on May 8, 2012 that it had decided not to proceed with further acquisition discussions.

86. Shortly thereafter, the Board of Directors, based on recommendation of the special committee, terminated the strategic review process commenced in November 2011 (with the assistance of JPM) but continued discussions with a single party interested in a possible acquisition of one of Jaguar's producing mining operations. That special committee cited the following reasons as significant factors causing the termination of the strategic review process:

- (a) the decline of the S&P Global Index by approximately 31% since November 15, 2011, as this would have a direct negative impact on the equity prices of certain prospective bidders and their desire to proceed with a transaction; and
- (b) ongoing operational issues at its southern operations in Brazil (including the need to resolve certain issues and implementation of a comprehensive restructuring and turnaround plan).

Asset Sale

87. Ultimately, a decision was made to pursue a sales process for a single property (the Gurupi project) instead of a sale for all or substantially all of Jaguar's assets for reasons, including the following:

- (a) the lack of credible bids generated from the Company's strategic review process run from November 2011 until May 2012 in a more robust gold environment;
- (b) the reduction in the average price of gold;
- (c) the ongoing initiatives being undertaken by Jaguar to turn around the operations of the Company, including placement of the Paciencia mine on care and maintenance in May 2012;
- (d) the jurisdiction in which the mine sites are located; and
- (e) the limited time available and potential cost constraints on Jaguar.

88. As referred to above, Canaccord was initially retained by the Company on May 21, 2012 in connection with a potential sale, transfer, divestiture, joint venture or similar transaction involving Jaguar's interest in the Gurupi Project. As set out in the Petroff Affidavit, Jaguar and Canaccord analyzed the possibility of divesting the Gurupi property in order to provide increased liquidity to the Company. As more particularly described in the Petroff Affidavit, Gurupi is a development stage exploration property located in north eastern Brazil and covers an area of approximately 139,000 hectares.

89. Canaccord initiated and ran a sales process in respect of the Gurupi project between August 20, 2012 and November 16, 2012. Forty-nine parties were contacted and,

ultimately, six draft bids were received by Canaccord in respect of the Gurupi mine site sale process. The Monitor has been advised that the bids received were considered by the special committee of the Board of Directors of the Applicant to be inadequate as they (a) were insufficient in terms of value, and/or (b) contained significant conditions precedent. Furthermore, based on the bids received, the Company believed that proceeding with the Gurupi sale would not have yielded enough capital to deal with the Company's long term liquidity issues.

90. The Monitor understands that Jaguar determined that completing a sale of the Gurupi property was not viable due to a number of factors, including, but not limited to:

- (a) the reduction in the average price of gold and the then existing depressed gold environment;
- (b) the sales process did not yield any offers that the special committee of the Board of Directors of the Applicant believed were indicative of the potential value of this asset;
- (c) the jurisdiction in which the mine sites are located; and
- (d) the limited time available and potential cost constraints.

Third Party Capital

91. Canaccord was subsequently retained by the Applicant in May 2013 to assist Jaguar in connection with the design and implementation of a recapitalization.

92. The Monitor has been advised that Canaccord compiled a list of potentially interested financing parties. After further discussions with management and the financial advisor

to the Ad Hoc Committee, a more comprehensive list was generated. From this comprehensive list, Canaccord focused its efforts on parties with expertise in financially distressed financing and/or experience in the natural resource/mining space. The Monitor has been advised that the financial advisor to the Ad Hoc Committee also reached out to additional parties and directed them to follow up with Canaccord. The Monitor has been advised that this third party financing process was completed during a period of approximately seven months, which included the period prior to and following the Filing Date.

93. The Monitor is advised that Canaccord and the Ad Hoc Committee's financial advisors reached out to more than thirty financial and/or alternative lenders to address the Company's liquidity issues by seeking new money for working capital and capital investment purposes. Ten of these parties expressed an interest in exploring a transaction and Canaccord had detailed discussions with those ten parties regarding the potential financing opportunity.

94. The Monitor has been advised that there was a lack of credible interest and/or bids generated from the discussions led by Canaccord and the Ad Hoc Committee's financial advisor. The Monitor understands that Jaguar determined that raising third party financing was not viable due to a number of factors, including, but not limited to:

- (a) the jurisdiction in which the mine sites are located;
- (b) macro-fundamentals affecting the resource sector, in particular, gold producers;
- (c) the financial situation of the Company; and
- (d) the proposed timelines to complete the financing.

Comprehensive Restructuring

95. Given the failure of efforts to date, the lack of viable alternatives, the worsened gold economic environment, and the event of default that occurred on December 2, 2013, the Company has advised the Monitor that it concluded (after consultation with its financial and legal advisors) that the Plan is the most viable alternative for the Company to avoid liquidation. As more particularly described in the Information Circular, absent the approval of a transaction such as the Plan, Jaguar will be unable to continue to make payments when due under the Notes and the Renvest Facility and an expedited liquidation appears to be the likely alternative.

96. Accordingly, Jaguar and Canaccord considered a comprehensive restructuring plan involving a debt to equity exchange and an investment of new capital. Canaccord entered into initial discussions with financial advisors to the Ad Hoc Committee in August 2013, which culminated in the CCAA filing on December 23, 2013.

97. Based on discussions with Jaguar, Jaguar's counsel, Jaguar's financial advisor and based on a review of certain reports relied on by the special committees established by the Board of Directors from time to time, including a review of minutes of the Board of Directors, the Monitor believes that Jaguar has actively pursued each of the strategic alternatives discussed above. Since early 2011, the Company has attempted to run sales processes, provided for due diligence reviews and entered into discussions with multiple interested parties in respect of third party financing.

98. The Monitor notes that these processes were limited to focus on specific parties who invest in the mining space as a result of the circumstances facing the Company, including its then liquidity issues, the jurisdiction in which the mine sites are located and the gold economic environment. The Monitor further notes that the current market for gold is more challenging

than when such processes were undertaken. Therefore, it appears that the Plan is the only viable, going-concern alternative available to the Company.

LIQUIDATION OR BANKRUPTCY

99. The Company is a holding company with little or no assets other than certain bank accounts, claims being pursued in the United States and Subsidiary Shares. The Subsidiaries are the operating companies whose assets are located in Brazil. Any bankruptcy or liquidation of the Subsidiaries' assets would be governed by the laws of Brazil.

100. The Monitor has been advised by the Company and its advisors, and the financial advisors to the Ad Hoc Committee, that there are potentially multiple significant issues in a liquidation of the Brazilian Subsidiaries or forced sale of the Subsidiaries, including:

- (a) the crystallization of certain environmental liabilities including fines, penalties, and potential imprisonment terms;
- (b) the crystallization of certain labour-related liabilities that could potentially impact priorities, class definitions and payment requirement restrictions;
- (c) the jeopardization and potential suspension of existing mining concessions and additional difficulty in obtaining new mining applications; and
- (d) implications to existing financing agreements with Brazilian banks and/or specific terms included therein.

101. The Company has also prepared a liquidation analysis to assist in this evaluation (the "**Liquidation Analysis**"). The Liquidation Analysis illustrates that in a liquidation scenario, the Noteholders would be in a better financial position under the Plan than if the Applicant were

liquidated and the Existing Shareholders, solely in their capacity as Existing Shareholders, would be in a better financial position under the Plan than if the Applicant were liquidated.

102. The Monitor is informed that the Liquidation Analysis was initially prepared by the Company with input from members of senior management who have a combined total of more than sixty years' experience in the mining industry between them. The Monitor has been advised that Canaccord reviewed and challenged the underlying assumptions in connection with the Liquidation Analysis and concluded that such assumptions are in the appropriate range given the parameters assumed therein, while noting that some assumptions are subject to sensitivity.

103. The Monitor reviewed the Liquidation Analysis, including the underlying assumptions in respect thereof, and held further discussions with Jaguar, counsel to Jaguar and Canaccord. Although the Monitor is not in a position to comment on the specific underlying assumptions that could impact the recovery to the stakeholders of a Brazilian company, nothing contained in the Liquidation Analysis appeared to the Monitor to be unreasonable. The Monitor further notes that certain of the issues in a liquidation of Jaguar entities would include, among others:

- (a) difficulties in realizing on inventory in the existing gold environment;
- (b) difficulties in recovering certain tax amounts owed under the Brazilian tax regime;
- (c) difficulties in realizing on property, plant and equipment and on mineral exploration projects in a depressed mining industry and within the legal and regulatory framework in Brazil; and

- (d) local laws regarding labour, environmental and other statutorily based regulatory claims.

104. The Liquidation Analysis indicates that in the event of a liquidation or bankruptcy of the Subsidiaries, it is unlikely that any value would be realized by Jaguar on account of its Subsidiary Shares and/or any potential value would be offset by the crystallization of additional liabilities listed above.

CONCLUSIONS AND RECOMMENDATION

105. It is the Monitor's view that the Company continues to pursue the Plan with due diligence and in good faith.

106. As more particularly described above, the Monitor notes that:

- (a) the Plan is subject to numerous conditions precedent that must be satisfied or waived prior to the relevant applicable time and a number of the conditions precedent to the Plan are beyond the control of the Applicant;
- (b) the Plan provides for discharges and releases of Director/Officer Claims against only Named Directors and Officers and no other Director and Officer;
- (c) the Plan limits the recourse available to holders of Section 5.1(2) Director/Officer Claims, to the extent that they claim against any Named Directors and Officers, to insurance proceeds;
- (d) it is possible that the Share Offering may not generate the full \$50 million of anticipated new liquidity; and

- (e) as a result of the circumstances facing the Company, including its liquidity issues, the geographic location of the mines and the gold economic environment, it appears that the Plan is the only viable, going-concern alternative available to the Company.

107. The Monitor is satisfied that the Company, its Board of Directors and their financial and legal advisors have considered and pursued strategic alternatives available to the Company. They have determined that the Plan represents the best opportunity to provide a stronger foundation for the Jaguar Group to obtain additional liquidity and to remain a going concern thereby preserving operations for many of its stakeholders, including the Noteholders, lenders, employees, customers and suppliers.

108. Nothing has come to the attention of the Monitor that would suggest that the Company has not been in compliance with the terms of the Initial Order, the Claims Procedure Order, the Meeting Order and/or the CCAA generally.

109. Noteholders representing approximately 93% of the outstanding principal amount of the Notes support proceeding with the recapitalization contemplated under the Plan.

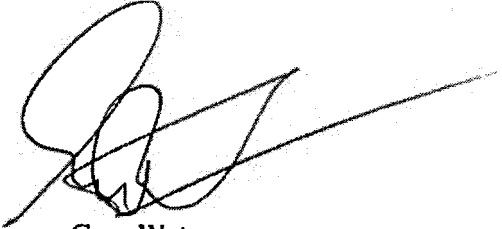
110. It appears that the likely alternative to the Plan would be an expedited liquidation. The Monitor notes that an expedited liquidation could have an adverse effect on the Company and its stakeholders such that the recoveries under a liquidation scenario could result in less value to the stakeholders than what is contemplated under the Plan, except with respect to holders of Equity Claims as they do not receive any recoveries in respect of such claims under the Plan or in a liquidation scenario.

111. If the Plan is approved by this Honourable Court, it will allow the Company to emerge from the CCAA Proceedings with a capital structure with significantly less debt and additional liquidity to continue to operate as a going concern.

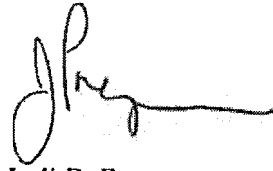
112. In consideration of all of the factors described herein, the Monitor recommends that the Meeting proceed in accordance with the terms of the Meeting Order and that Affected Unsecured Creditors vote in favour of the resolution to approve the Plan. It is the Monitor's view that the Plan is fair and reasonable, including the fact that the Plan provides for no recoveries to holders of Equity Claims.

Dated this 24th day of January, 2014.

FTI Consulting Canada Inc.
in its capacity as the Monitor of Jaguar Mining Inc.
and not in its personal or corporate capacity

A handwritten signature in black ink, appearing to be 'G. Watson', with a long horizontal stroke extending to the right.

Greg Watson
Senior Managing Director

A handwritten signature in black ink, appearing to be 'J. Porepa', with a long horizontal stroke extending to the right.

Jodi B. Porepa
Managing Director

Appendix "A"

Court File No.

CV-13-10383-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

) MONDAY, THE 23RD

JUSTICE MORAWETZ

) DAY OF DECEMBER, 2013

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JAGUAR MINING INC.**

Applicant

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David M. Petroff sworn December 23, 2013 and the Exhibits thereto (the "Petroff Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc. in its capacity as the Proposed Monitor (as defined in the Petroff Affidavit), dated December 21, 2013, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, FTI Consulting Canada Inc., as Proposed Monitor, the Ad Hoc Committee (as defined in the Petroff Affidavit), and Global Resource Fund, no one appearing for any other person although duly served as appears from the affidavit of service of Evan Cobb sworn December 23, 2013 and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor (in such capacity, the "Monitor"),

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, directors, counsel and such other persons, including counsel to the Special Committee (as defined in the Petroff Affidavit) (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies

and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings or in respect of the Applicant's public listing requirements, at their standard rates and charges.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein or in the Support Agreement, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the Applicant is authorized and directed until further order of this Court to pay any monthly interest amounts that may become due and owing to Global Resource Fund under the Renvest Facility (as such term is defined in the Petroff Affidavit).

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and the terms of the Support Agreement, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations;

- (b) terminate the employment of such of its employees as it deems appropriate;
- (c) retain a solicitation agent and an election agent (the "Solicitation/Election Agent") and permit it to obtain proxies and/or voting information and subscription election forms from registered and beneficial holders of the Notes (as defined in the Petroff Affidavit) in respect of the Plan and any amendments thereto; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain

possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

SUPPORT AGREEMENT AND BACKSTOP AGREEMENT

13. THIS COURT ORDERS that the Applicant is authorized and empowered to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Support Agreement and the Backstop Agreement (each as defined in the Petroff Affidavit) and its various obligations thereunder, and that nothing in this Order shall be construed as waiving or modifying any of the rights, commitments or obligations of Jaguar, its Subsidiaries, the Consenting Noteholders (as defined in the Petroff Affidavit) and the Backstop Parties (as defined in the Petroff Affidavit) under the Support Agreement and the Backstop Agreement, as applicable.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including January 22, 2014, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that during the Stay Period, no Proceeding shall be commenced or continued: (i) against or in respect of any of the Applicant's direct or indirect subsidiaries (each a "Subsidiary" and, collectively, the "Subsidiaries") with respect to any guarantee, contribution or indemnity obligation, liability or claim in respect of, or that relates to, any agreement involving the Applicant, or the obligations, liabilities and claims of, against or affecting the Applicant or the Business (collectively, the "Applicant Related Liabilities"); (ii) against or in respect of any of a Subsidiary's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Subsidiary Property") with respect to any Applicant Related Liabilities (the matters referred to in (i) and (ii) being, collectively, the "Applicant Related Proceedings Against

Subsidiaries"), except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Applicant Related Proceedings Against Subsidiaries currently under way by any Person are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any Person against or in respect of any Subsidiary or Subsidiary Property in respect of any Applicant Related Liabilities are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Subsidiary to carry on any business which the Subsidiary is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written

agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$150,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 40 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its preparation of the Applicant's cash flow statements;
- (d) advise the Applicant on any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (g) assist the Solicitation/Election Agent to obtain proxies and/or voting information and subscription election forms from registered and beneficial holders of the Notes in respect of the Plan and any amendments thereto;
- (h) assist the Applicant, to the extent required by the Applicant, with its restructuring activities;
- (i) assist the Applicant, to the extent required by the Applicant, with any matters relating to any foreign proceedings commenced in relation to the Applicant, including retaining independent legal counsel, agents, experts, accountants or such other persons as the Monitor deems necessary or advisable respecting the exercise of this power;
- (j) engage in discussions with the Ad Hoc Committee and the Applicant's secured creditors, independent of the Applicant and, to the extent that any written reports with respect to these proceedings are delivered by the Monitor (or its advisors) to the Ad Hoc Committee (or its advisors), copies of those written reports shall be delivered by the Monitor (or its advisors) to Global Resource Fund (or its advisors) as soon as

reasonably practicable following delivery to the Ad Hoc Committee;

- (k) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

27. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

28. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property (or any Subsidiary Property) that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property (or any Subsidiary Property) within the meaning of any Environmental Legislation, unless it is actually in possession.

29. THIS COURT ORDERS that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

30. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. THIS COURT ORDERS that the Monitor, domestic and foreign counsel to the Monitor, domestic and foreign counsel to the Applicant, counsel to the Special Committee (as defined in the Petroff Affidavit) domestic and foreign counsel to the Ad Hoc Committee and counsel to Global Resource Fund shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or after the date of this Order, by the Applicant as part of the costs of these proceedings; and (ii) the Financial Advisors (as defined in the Petroff Affidavit) shall be paid their reasonable fees and disbursements, in each case in accordance with the terms of the FA Engagement Letters (as defined in the Petroff Affidavit), whether incurred prior to or after the date of this Order. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, domestic and foreign counsel for the Monitor, domestic and foreign counsel for the Applicant, domestic and foreign counsel for the Ad Hoc Committee and counsel to the Special Committee weekly, or on such basis as otherwise agreed by the Applicant and the applicable payee and, in addition, the Applicant is hereby authorized to pay to the Monitor and counsel for the Monitor retainers in the amounts of \$75,000 and \$40,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. THIS COURT ORDERS that the Monitor, domestic and foreign counsel to the Monitor, the Applicant's domestic and foreign counsel, counsel to the Special Committee, domestic and foreign counsel to the Ad Hoc Committee and the Financial Advisors shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which

charge shall not exceed an aggregate amount of \$5,000,000, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the Financial Advisors, professional fees and disbursements incurred pursuant to the terms of the FA Engagement Letters, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall consist of two separate charges (the Primary Administration Charge and the Subordinate Administration Charge (each as defined below)) with the priorities set out in paragraphs 37 and 40 hereof.

APPROVAL OF FINANCIAL ADVISORS' ENGAGEMENT

34. THIS COURT ORDERS that the Applicant is authorized to continue the engagement of the Financial Advisors on the terms and conditions set out in the FA Engagement Letters.

35. THIS COURT ORDERS that the FA Engagement Letters be and are hereby ratified and confirmed and the Applicant is authorized to perform its obligations thereunder.

36. THIS COURT ORDERS that any claims of the Financial Advisors under the FA Engagement Letters shall be treated as unaffected in any Plan.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

37. THIS COURT ORDERS that the priorities of the Directors' Charge, the Primary Administration Charge, the Renvest Security (as defined below) and the Subordinated Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000) (the "**Primary Administration Charge**");

Second - Directors' Charge (to the maximum amount of \$150,000);

Third – Renvest Security; and

Fourth – the Administration Charge (to a maximum of \$4,500,000) (the "**Subordinated Administration Charge**").

38. THIS COURT ORDERS that notwithstanding anything to the contrary herein, each of the Financial Advisors shall only be entitled to the benefit of the Primary Administration Charge with

respect to their respective monthly work fees as set out in the terms and conditions of their respective FA Engagement Letters.

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and, except as provided in Paragraph 37, with respect to the Subordinated Administration Charge, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, with the exception of any Encumbrances ranking in priority to the security granted by the Applicant to secure the obligations under the Renvest Facility prior to the date hereof (the "Renvest Security").

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, or the Renvest Security unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, and (if such Encumbrances rank in priority to, or *pari passu* with, the Renvest Security) Global Resource Fund, or further Order of this Court.

42. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with

respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. THIS COURT ORDERS that the Monitor shall (i) as soon as practicable after the granting of this Order, publish in the Globe and Mail (National Edition) and the Wall Street Journal a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder. The list included in subparagraph (C) above shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual.

45. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this

Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

46. THIS COURT ORDERS that the Applicant, the Monitor, the Ad Hoc Committee, Global Resource Fund and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at:

<http://cfcanada.fticonsulting.com/jaguar>.

47. THIS COURT ORDERS that all written reports delivered by the Applicant (or its advisors) to the Ad Hoc Committee (or its advisors) with respect to these proceedings shall also be delivered by the Applicant (or its advisors) to Global Resource Fund (or its advisors) as soon as reasonably practicable following delivery to the Ad Hoc Committee.

SEALING OF CONFIDENTIAL EXHIBITS

48. THIS COURT ORDERS that Confidential Exhibits "A" and "B" be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

49. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

50. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

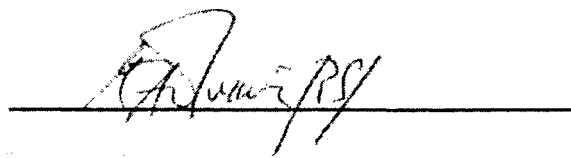
51. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal,

regulatory or administrative body having jurisdiction in Canada, the United States, Brazil or elsewhere to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

52. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

53. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to the Applicant, the Monitor, Global Resource Fund, the Ad Hoc Committee and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

54. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



DEC 13 2013

NB

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

Court File No:

CV-13-10383-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF JAGUAR MINING INC.

(Applicant)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LSUC#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant,
Jaguar Mining Inc.

Appendix "B"

December 23, 2013.

CEAA protects granted.
Initial order signed. Reasons will
follow. It is expected that parties
will utilize E-Service Protocol
which can be enforced in core-
based order. Search of updated
rights granted.

[Signature]

Meetsy order granted in form
submitted.

[Signature]

Claim Procedures granted in form
submitted

[Signature]

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPLICATION RECORD
VOLUME 1 OF 3**

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LSUC#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant,
Jaguar Mining Inc.

Appendix “C”

Court File No. CV-13-10383-0001

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY, THE 23RD
JUSTICE MORAWETZ) DAY OF DECEMBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
AND ARRANGEMENT OF JAGUAR MINING INC.

Applicant

CLAIMS PROCEDURE ORDER

THIS MOTION made by Jaguar Mining Inc. (the "**Applicant**") for an order establishing a claims procedure for the identification and quantification of certain claims against the Applicant was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of David M. Petroff sworn December 23, 2013 (the "**Petroff Affidavit**"), the Pre-Filing Report of FTI Consulting Canada Inc. in its capacity as the proposed monitor of the Applicant (the "**Monitor**") dated December 21, 2013, and on hearing from counsel for the Applicant, the Monitor, the Ad Hoc Committee (as defined in the Petroff Affidavit), Global Resource Fund and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion

Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that, for the purposes of this Order (the "**Claims Procedure Order**"), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) **"4.5% Convertible Note Indenture"** means the Indenture dated as of September 15, 2009 among the Applicant as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which the Applicant issued the 4.5% Convertible Notes;
- (b) **"4.5% Convertible Notes"** means the 4.5% senior unsecured convertible notes issued by the Applicant due November 1, 2014;
- (c) **"5.5% Convertible Note Indenture"** means the Indenture dated as of February 9, 2011 among the Applicant as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which the Applicant issued the 5.5% Convertible Notes;
- (d) **"5.5% Convertible Notes"** means the 5.5% senior unsecured convertible notes issued by the Applicant due March 31, 2016;
- (e) **"Affected Unsecured Claims"** means all Claims against the Applicant that are not Equity Claims;
- (f) **"Affected Unsecured Creditor"** means the holder of an Affected Unsecured

Claim in respect of and to the extent of such Affected Unsecured Claim, whether a Known Unsecured Creditor or an Unknown Unsecured Creditor;

- (g) **"Business Day"** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario and New York, New York;
- (h) **"Calendar Day"** means a day, including Saturday, Sunday and any statutory holidays in the Province of Ontario, Canada;
- (i) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (j) **"CCAA Proceedings"** means the within proceedings commenced by the Applicant under the CCAA;
- (k) **"Claim"** means:
 - (i) any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against the Applicant, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Applicant, and any interest accrued thereon or costs payable in respect thereof, in existence on the Filing Date, or which is based on an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty

(including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation by the Applicant of any contract, lease or other agreement, whether written or oral, any claim made or asserted against the Applicant through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and including any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim against the Applicant for indemnification by any Director or Officer in respect of a Director/Officer Claim but excluding any such indemnification claims covered by the Directors' Charge (each,

a **"Pre-filing Claim"**, and collectively, the **"Pre-filing Claims"**);

- (ii) any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, rescission, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral (each, a **"Restructuring Period Claim"**, and collectively, the **"Restructuring Period Claims"**); and
- (iii) any right or claim of any Person against one or more of the Directors and/or Officers of the Applicant howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer of the Applicant is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer (each a **"Director/Officer Claim"**, and collectively, the **"Director/Officer Claims"**),

in each case other than any Excluded Claim;

- (l) **"Claims Bar Date"** means 5:00 p.m. on January 22, 2014;
- (m) **"Claims Package"** means the materials to be provided by the Applicant to Persons who may have a Claim in accordance with this Claims Procedure Order, which materials shall include a blank Proof of Claim, an Instruction Letter, and such other materials as the Applicant, with the consent of the Monitor, may consider appropriate or desirable;
- (n) **"Consenting Noteholder"** means any Noteholder that has executed the Support Agreement (including a consent agreement substantially in the form of Schedule C thereto), in respect of whom the Support Agreement has not been terminated;
- (o) **"Court"** means the Superior Court of Justice (Commercial List) in the City of Toronto in the Province of Ontario;
- (p) **"Creditor"** means any Person having a Claim and includes without limitation the transferee or assignee of a Claim transferred and recognized as a Creditor in accordance with paragraphs 42, 43, and 44 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;
- (q) **"Crown Claim"** means any claim of Her Majesty in right of Canada or a province of Canada, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:
 - (i) subsection 224(1.2) of the ITA;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA and provides

for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or

(ii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:

(A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or

(B) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

(r) "Director/Officer Claim" has the meaning ascribed to that term in paragraph 2(k)(iii) of this Claims Procedure Order;

(s) "Directors" means all current and former directors (or their estates) of the Applicant in such capacity and "Director" means any one of them;

(t) "Disputed Claim" means a Disputed Voting Claim or a Disputed Distribution Claim;

- (u) **"Disputed Director/Officer Claim"** means a Director/Officer Claim which is validly disputed in accordance with the Claims Procedure Order and which remains subject to adjudication in accordance with this Claims Procedure Order;
- (v) **"Disputed Distribution Claim"** means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Distribution Claim, which is validly disputed for distribution purposes in accordance with this Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with this Claims Procedure Order;
- (w) **"Disputed Voting Claim"** means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Voting Claim, which is validly disputed for voting purposes in accordance with this Claims Procedure Order and which remains subject to adjudication for voting purposes in accordance with this Claims Procedure Order;
- (x) **"Distribution Claim"** means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for distribution purposes in accordance with this Claims Procedure Order and the CCAA;
- (y) **"Election Form"** has the meaning ascribed to that term in the Plan;

- (z) **"Employee Priority Claims"** means the following claims of the Applicant's employees and former employees:
- (i) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act (Canada)* if the Applicant had become bankrupt on the Filing Date; and
 - (ii) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Court sanctions the Plan, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Applicant's business during the same period;
- (aa) **"Equity Claim"** has the meaning set forth in Section 2(1) of the CCAA;
- (bb) **"Excluded Claim"** means
- (i) any claims secured by any of the Charges;
 - (ii) any Section 5.1(2) Director/Officer Claims (as such term is defined in the Plan);
 - (iii) any claims that cannot be compromised pursuant to subsection 19(2) of the CCAA;
 - (iv) any claims of the Subsidiaries against the Applicant;
 - (v) any Secured Claims;

- (vi) any Employee Priority Claims;
 - (vii) any Crown Claims
 - (viii) the Trustees' claims under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture, if any;
 - (ix) any claims of Persons who, at the Filing Date, are senior officers or employees of the Applicant, in respect of their employment arrangements or any termination of such arrangements;
 - (x) the Renvest Claim; and
 - (xi) any Post-Filing Claims.
- (cc) "Filing Date" means the date of the Initial Order;
- (dd) "Government Authority" means any federal, provincial, state or local government, agency or instrumentality thereof or similar entity, howsoever designated or constituted exercising executive, legislative, judicial, regulatory or administrative functions in Canada, the United States, or elsewhere;
- (ee) "Implementation Date" shall have the meaning ascribed thereto in the Plan;
- (ff) "Indentures" means the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture;
- (gg) "Initial Order" means the Initial Order of the Honourable Justice Morawetz made December 23, 2013, as amended, restated or varied from time to time;
- (hh) "Instruction Letter" means the instruction letter to Unsecured Creditors,

substantially in the form attached as Schedule "B" hereto, regarding the completion of a Proof of Claim by an Unsecured Creditor and the claims procedure described herein;

- (ii) **"ITA"** means the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.);
- (jj) **"Known Unsecured Creditor"** means an Affected Unsecured Creditor whose Claim against the Applicant is known to the Applicant as of the date of this Claims Procedure Order;
- (kk) **"Majority Consenting Noteholders"** means Consenting Noteholders holding at least a majority of the aggregate principal amount of all Notes held by all Consenting Noteholders at the applicable time, in respect of which the Applicant and the Monitor shall be entitled to rely on written confirmation from Goodmans LLP that the Majority Consenting Noteholders have agreed, waived, consented to or approved a particular matter, and Goodmans LLP shall be entitled to rely on a communication in any form acceptable to Goodmans LLP, in its sole discretion, from any Consenting Noteholder for the purpose of determining whether such Consenting Noteholder has agreed, waived, consented to or approved a particular matter, and the principal amount of Notes held by such Consenting Noteholder;
- (ll) **"Meeting"** means a meeting of the Affected Unsecured Creditors of the Applicant called for the purpose of considering and voting in respect of a Plan;
- (mm) **"Meeting Order"** means the Order under the CCAA dated December 23, 2013 that, among other things, sets the date for the Meeting, as same may be

amended, restated or varied from time to time;

- (nn) **"Noteholder"** means a holder of 4.5% Convertible Notes and/or 5.5% Convertible Notes;
- (oo) **"Noteholders Allowed Claim"** means all principal amounts outstanding and all accrued interest under the Notes as at the applicable record date under the Plan as determined in accordance with paragraph 14 of this Claims Procedure Order for purposes of voting on and receiving distributions under the Plan;
- (pp) **"Notice of Dispute of Revision or Disallowance"** means the notice referred to in paragraph 22 or 35 hereof, as applicable, substantially in the form attached as Schedule "E" hereto, which must be delivered to the Monitor by any Unsecured Creditor or a Person asserting a Director/Officer Claim wishing to dispute a Notice of Revision or Disallowance, with reasons for its dispute;
- (qq) **"Notice of Revision or Disallowance"** means the notice referred to in paragraph 21 or 34 hereof, as applicable, substantially in the form of Schedule "D" advising an Unsecured Creditor or a Person asserting a Director/Officer Claim that the Applicant, with the consent of the Monitor, has revised or rejected all or part of such Unsecured Creditor's Claim set out in its Proof of Claim;
- (rr) **"Notice to Creditors"** means the notice for publication by the Monitor as described in paragraph 16 hereof, substantially in the form attached hereto as Schedule "A";
- (ss) **"Officers"** means all current and former officers (or their estates) of the Applicant in such capacity and **"Officer"** means any one of them;

- (tt) **"Person"** means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or unincorporated), trust, unincorporated organization, joint venture, trade union, Government Authority or any agency, regulatory body or officer thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;
- (uu) **"Plan"** means the plan of compromise and arrangement to be filed by the Applicant pursuant to the CCAA and the Meeting Order as the same may be amended, supplemented or restated from time to time in accordance with the terms thereof;
- (vv) **"Post-Filing Claim"** means any claims against the Applicant that arose from the provision of authorized goods and services provided or otherwise incurred on or after the Filing Date in the ordinary course of business, but specifically excluding any Restructuring Period Claim;
- (ww) **"Pre-filing Claim"** has the meaning ascribed to that term in paragraph 2(k)(i) of this Claims Procedure Order;
- (xx) **"Proof of Claim"** means the Proof of Claim referred to in paragraph 18 hereof to be filed by Affected Unsecured Creditors, substantially in the form attached hereto as Schedule "C";
- (yy) **"Renvest Claim"** means any claim for amounts owing by the Applicant to Global Resource Fund, pursuant to a credit agreement made as of December 17, 2012 between the Applicant, as borrower, the Subsidiaries, as guarantors, and Global

Resource Fund, as lender, (the "Credit Agreement") or pursuant to any Credit Document (as such term is defined in the Credit Agreement).

- (zz) **"Restructuring Period Claim"** has the meaning ascribed to that term in paragraph 2(k)(ii) of this Claims Procedure Order;
- (aaa) **"Restructuring Period Claims Bar Date"** means seven (7) Calendar Days after termination, repudiation or rescission of the applicable agreement or other event giving rise to the applicable Restructuring Period Claim;
- (bbb) **"Secured Claim"** means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicant (including statutory and possessory liens that create security interests) up to the value of such collateral, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date;
- (ccc) **"Subsidiaries"** means, collectively, MCT Mineração Ltda., Mineração Turmalina Ltda. and Mineração Serras do Oeste Ltda.;
- (ddd) **"Support Agreement"** means the Support Agreement made as of November 13, 2013 between the Applicant, the Subsidiaries and the Noteholders party thereto, together with any consent agreements executed by other Noteholders from time to time, substantially in the form of Schedule C thereto;
- (eee) **"Tax" or "Taxes"** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross

receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

(fff) **"Tax Claim"** means any Claim against the Applicant for any Taxes in respect of any taxation year or period;

(ggg) **"Trustees"** means The Bank of New York Mellon, as trustee, and BNY Trust Company of Canada, as co-trustee, under each of the Indentures;

(hhh) **"Unknown Unsecured Creditor"** means an Affected Unsecured Creditor other than a Known Unsecured Creditor;

(iii) **"Unsecured Creditor"** means a Known Unsecured Creditor or an Unknown Unsecured Creditor;

(iii) **"Voting Claim"** means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for voting at the Meeting, in accordance with the provisions of this Claims Procedure Order and the CCAA.

3. **THIS COURT ORDERS** that all capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.

4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.
5. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".
6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

7. **THIS COURT ORDERS** that the Applicant and the Monitor are hereby authorized (i) to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms, and (ii) to request any further documentation from a Creditor that the Applicant or the Monitor may require in order to enable them to determine the validity of a Claim.
8. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect on the Filing Date. For greater certainty, U.S. dollar denominated claims shall be converted at the Bank of Canada Canadian/U.S. dollar noon exchange rate in effect on the Filing Date.
9. **THIS COURT ORDERS** that, except as otherwise set out herein, interest and penalties that would otherwise accrue after the Filing Date shall not be included in any Claim.

10. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, and determinations of Claims by the Court shall be maintained by the Monitor.
11. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, the Applicant may, with the consent of the Monitor, refer an Affected Unsecured Creditor's Claim or (with the consent of the Monitor, the Applicant and the relevant Director or Officer) a Director/Officer Claim for resolution to the Court, where in the Applicant's view such a referral is preferable or necessary for the resolution or the valuation of the Claim.
12. **THIS COURT ORDERS** that the Applicant may, with the consent of the Majority Consenting Noteholders and the Monitor, apply to this Court for an Order appointing a claims officer to resolve Disputed Claims and/or Disputed Director/Officer Claims on such terms and in accordance with such process as may be ordered by this Court.

MONITOR'S ROLE

13. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the Applicant in connection with the administration of the claims procedure provided for herein, including the determination of Claims of Creditors and the referral of a particular Claim to the Court, as requested by the Applicant from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

CLAIMS PROCEDURE FOR NOTEHOLDERS

14. **THIS COURT ORDERS** that neither the Applicant nor the Monitor shall be required to send Claims Packages to the Noteholders and that neither the Noteholders nor the Trustees shall be required to file Proofs of Claim in respect of any Claims pertaining to

the Notes. Within 3 Business Days of the date of this Claims Procedure Order, the Applicant shall send to each of the Trustees (as agents for the Noteholders), with copies to the Monitor and to the advisors to the Ad Hoc Committee, a notice stating the accrued amounts (including all principal and interest) owing directly by the Applicant under each of the indentures up to the applicable record date and/or distribution date under the Plan. Each of the Trustees shall confirm to the Monitor whether such amounts are accurate within 7 Business Days of receipt of the Applicant's notice. If such amounts are confirmed by the Trustees, or in the absence of any response by a Trustee within 7 Business Days of receipt of the Applicant's notice, such amounts shall be deemed to be the accrued amounts owing directly by the Applicant under the Indentures for the purposes of voting on and receiving distributions under the Plan, unless the amounts of Claims under an Indenture are otherwise agreed to in writing by the Applicant, the Trustee, the Monitor and the Majority Consenting Noteholders, in which case such agreement shall govern. If a Trustee indicates that it cannot confirm the accrued amounts owing directly by the Applicant under an Indenture up to the applicable record date and/or distribution date under the Plan, such amounts shall be determined by the Court for the purposes of voting on and receiving distributions under the Plan, unless the amounts of such Claims are otherwise agreed to in writing by the Applicant, the Trustee, the Monitor, and the Majority Consenting Noteholders, in which case such agreement shall govern. The amount of the Claim of the Noteholders as determined in accordance with this paragraph shall be the "Noteholders Allowed Claim".

15. **THIS COURT ORDERS** that the Noteholders Allowed Claim shall constitute a Voting Claim and a Distribution Claim for purposes of voting on and receiving distributions under the Plan.

NOTICE TO CREDITORS

16. **THIS COURT ORDERS** that the Monitor shall publish the Notice to Creditors for at least two (2) Business Days in *The Globe & Mail* (National Edition) and *The Wall Street Journal*: (i) as soon as practicable after the granting of this Claims Procedure Order, and (ii) on or within one Business Day of January 6, 2014.

CLAIMS PROCEDURE FOR UNSECURED CREDITORS

(i) **Claims Package**

17. **THIS COURT ORDERS** that, subject to paragraph 14 hereof, the Monitor shall send a Claims Package to (i) each of the Known Unsecured Creditors by prepaid ordinary mail to the address last shown on the books and records of the Applicant before 11:59 p.m. on the date that is three (3) Business Days after the date hereof; and (ii) any Unknown Unsecured Creditor who makes a request therefor prior to the Claims Bar Date.
18. **THIS COURT ORDERS** that, subject to paragraph 14 hereof, any Unsecured Creditor that wishes to assert a Claim must file a completed Proof of Claim such that it is received by the Monitor by no later than the Claims Bar Date.
19. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in paragraphs 17, 18 and 20 hereof, the following shall apply with respect to any Restructuring Period Claims:
- (a) any notices of disclaimer or resiliation delivered to Creditors by the Applicant or the Monitor after the Filing Date shall be accompanied by a Claims Package;
 - (b) the Monitor shall send a Claims Package to any Creditor who makes a request therefor in respect of a Restructuring Period Claim prior to the Restructuring

Period Claims Bar Date;

- (c) any Creditor that wishes to assert a Restructuring Period Claim must return a completed Proof of Claim to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on the Restructuring Period Claims Bar Date;
 - (d) any Creditor that does not return a Proof of Claim to the Monitor by 5:00 p.m. on the Restructuring Period Claims Bar Date shall not be entitled to attend or vote at the Meeting and shall not be entitled to receive any distribution from any Plan and any and all Restructuring Period Claims of such Creditor shall be forever extinguished and barred without any further act or notification.
- (ii) **Adjudication of Claims against the Applicant**
20. **THIS COURT ORDERS** that, subject to paragraph 14 hereof, any Unsecured Creditor that does not file a Proof of Claim such that it is received by the Monitor by the Claims Bar Date with respect to a Claim against the Applicant shall not be entitled to attend or vote at the Meeting and shall not be entitled to receive any distribution from any Plan and any and all such Claims of such Unsecured Creditor shall be forever extinguished and barred without any further act or notification and irrespective of whether or not such Unsecured Creditor received a Claims Package.
21. **THIS COURT ORDERS** that the Applicant, with the assistance of the Monitor, shall review all Proofs of Claim received by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, and shall accept, revise or reject the amount of each Claim against the Applicant set out therein for voting and/or distribution purposes. The Monitor shall notify each Unsecured Creditor who has delivered a Proof of Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, as to

whether such Unsecured Creditor's Claim against the Applicant as set out therein has been revised or rejected for voting purposes (and/or for distribution purposes if the Applicant, with the assistance of the Monitor, elects to do so), and the reasons therefor, by sending a Notice of Revision or Disallowance.

22. **THIS COURT ORDERS** that any Unsecured Creditor who wishes to dispute a Notice of Revision or Disallowance sent pursuant to the immediately preceding paragraph shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor by no later than 5:00 p.m. on the date that is seven (7) Calendar Days after the date of delivery to the applicable Unsecured Creditor of the Notice of Revision or Disallowance.

23. **THIS COURT ORDERS** that where an Unsecured Creditor that receives a Notice of Revision or Disallowance pursuant to paragraph 21 above does not file a Notice of Dispute of Revision or Disallowance by the time set out in paragraph 22 above, the value of such Unsecured Creditor's Voting Claim and Distribution Claim (if the Notice of Revision or Disallowance also dealt with the Distribution Claim) shall be deemed to be as set out in the Notice of Revision or Disallowance and any and all of the Unsecured Creditor's rights to dispute the Claim(s) as valued on the Notice of Revision or Disallowance or to otherwise assert or pursue such Claims in an amount that exceeds the amount set forth on the Notice of Revision or Disallowance, in each case for voting purposes and distribution purposes (if the Notice of Revision or Disallowance dealt with the Distribution Claim), shall be forever extinguished and barred without further act or notification.

(iii) **Resolution of Claims against the Applicant**

24. **THIS COURT ORDERS** that in the event that the Applicant, with the assistance of the

Monitor, is unable to resolve a dispute regarding any Disputed Voting Claim with an Unsecured Creditor, the Applicant shall so notify the Monitor and the Unsecured Creditor. Thereafter, the Disputed Voting Claim shall be referred to the Court for resolution or to such alternative dispute resolution as may be ordered by the Court or as agreed to by the Monitor, the Applicant and the applicable Creditor; provided, however that to the extent a Claim is referred under this paragraph to the Court or an alternative dispute resolution, it shall be on the basis that the value of the Claim shall be resolved or adjudicated both for voting and distribution purposes (and that it shall remain open to the parties to agree that the Creditor's Voting Claim may be settled by the Unsecured Creditor and the Applicant without prejudice to a future hearing by the Court or an alternative dispute resolution to determine the Creditor's Distribution Claim in accordance with paragraph 29 hereof). The Court or an alternative dispute resolution, as the case may be, shall resolve the dispute between the Applicant and the Unsecured Creditor.

25. **THIS COURT ORDERS** that where the value of an Unsecured Creditor's Voting Claim has not been finally determined in accordance with this Claims Procedure Order by the date of the Meeting, the ability of such Unsecured Creditor to vote its Disputed Voting Claim and the effect of casting any such vote shall be governed by the Meeting Order.
26. **THIS COURT ORDERS** that the Applicant, with the assistance of the Monitor, shall review and consider the Proofs of Claim filed in accordance with this Claims Procedure Order in order to determine the Distribution Claims of Unsecured Creditors. The Monitor shall notify each Unsecured Creditor who filed a Proof of Claim and who did not receive a Notice of Revision or Disallowance for distribution purposes pursuant to paragraph 21 herein as to whether such Unsecured Creditor's Claim as set out in such Unsecured

Creditor's Proof of Claim has been revised or rejected for distribution purposes, and the reasons therefor, by delivery of a Notice of Revision or Disallowance.

27. **THIS COURT ORDERS** that any Unsecured Creditor who wishes to dispute a Notice of Revision or Disallowance for distribution purposes sent pursuant to the immediately preceding paragraph shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on the date that is seven (7) Calendar Days after the date of delivery to the applicable Unsecured Creditor of the Notice of Revision or Disallowance referred to in paragraph 26.
28. **THIS COURT ORDERS** that where an Unsecured Creditor that receives a Notice of Revision or Disallowance pursuant to paragraph 26 above does not file a Notice of Dispute of Revision or Disallowance for distribution purposes by the time set out in paragraph 27 above, the value of such Unsecured Creditor's Distribution Claim shall be deemed to be as set out in the Notice of Revision or Disallowance for distribution purposes and any and all of the Unsecured Creditor's rights to dispute the Distribution Claim as valued on the Notice of Revision or Disallowance or to otherwise assert or pursue such Distribution Claim in an amount that exceeds the amount set forth on the Notice of Revision or Disallowance shall be forever extinguished and barred without further act or notification.
29. **THIS COURT ORDERS** that in the event that the Applicant, with the assistance of the Monitor, is unable to resolve a dispute regarding any Distribution Claim with an Unsecured Creditor, the Applicant shall so notify the Monitor and the Unsecured Creditor. Thereafter, the Disputed Distribution Claim shall be referred to the Court for resolution or to such alternative dispute resolution as may be ordered by the Court or as

agreed to by the Monitor, the Applicant and the applicable Creditor. The Court or an alternative dispute resolution, as the case may be, shall resolve the dispute between the Applicant and the Unsecured Creditor.

30. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in this Order, in respect of any Disputed Claim with an Unsecured Creditor that exceeds \$250,000, the Monitor and the Applicant shall not accept, admit, settle, resolve, value (for any purpose) or revise such Disputed Claim or any part thereof without the consent of the Majority Consenting Noteholders or a further Order of the Court.

(iv) **Adjudication of Director/Officer Claims**

31. **THIS COURT ORDERS** that, for greater certainty, the procedures in paragraphs 20 - 30 shall not apply to adjudication of Director/Officer Claims.

32. **THIS COURT ORDERS** that if a Person does not file a Proof of Claim with the Monitor such that it is received by the Monitor by the Claims Bar Date with respect to a Director/Officer Claim, any and all such Claims of such Person shall be forever extinguished and barred without any further act or notification and irrespective of whether or not such Person received a Claims Package and the Directors and Officers shall have no liability whatsoever in respect of such Director/Officer Claims.

33. **THIS COURT ORDERS** that the Monitor shall forthwith provide the relevant Director or Officer (and his or her counsel) with a copy of any Proofs of Claim received in respect of Director/Officer Claims.

34. **THIS COURT ORDERS** that the Applicant, with the assistance of the Monitor and the relevant Director or Officer, shall review all Proofs of Claim received by the Claims Bar Date in respect of Director/Officer Claims and shall accept, revise or reject the amount of

each Director/Officer Claim set out therein. The Monitor, with the consent of the Applicant, shall notify each Person who has delivered a Proof of Claim by the Claims Bar Date in respect of Director/Officer Claims as to whether such Person's Claim as set out therein has been revised or rejected and the reasons therefor by sending a Notice of Revision or Disallowance. The Monitor shall provide a copy of such Notice of Revision or Disallowance to any counsel to a Director or Officer.

35. **THIS COURT ORDERS** that any Person who wishes to dispute a Notice of Revision or Disallowance sent pursuant to the immediately preceding paragraph shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor such that it is received by the Monitor by no later than 5:00 p.m. on the date that is seven (7) Calendar Days after the date of delivery to the applicable Person of the Notice of Revision or Disallowance. The Monitor shall provide a copy of such Notice of Dispute of Revision or Disallowance to any counsel to a Director or Officer upon the receipt of such Notice of Dispute of revision or Disallowance.

36. **THIS COURT ORDERS** that where a Person that receives a Notice of Revision or Disallowance pursuant to paragraph 34 above does not file a Notice of Dispute of Revision or Disallowance by the time set out in paragraph 35 above, the value of such Person's Director/Officer Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and any and all of such Person's rights to dispute the Director/Officer Claim(s) as valued on the Notice of Revision or Disallowance or to otherwise assert or pursue such Director/Officer Claims in an amount that exceeds the amount set forth on the Notice of Revision or Disallowance shall be forever extinguished and barred without further act or notification.

(v) Resolution of Director/Officer Claims

37. **THIS COURT ORDERS** that in the event that the Applicant determines that it is necessary to finally determine the amount of a Director/Officer Claim and the Applicant, with the assistance of the Monitor and the consent of the applicable Directors and Officers, is unable to resolve a dispute regarding such Director/Officer Claim with the Person asserting such Director/Officer Claim, the Applicant shall so notify the Monitor and such Person. Thereafter, the Disputed Director/Officer Claim shall be referred to the Court for resolution or to such alternative dispute resolution as may be ordered by the Court or as agreed to by the Monitor, the Applicant and the applicable Person. The Court or an alternative dispute resolution, as the case may be, shall resolve the dispute.
38. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in this Order, in respect of any Disputed Director/Officer Claim that exceeds \$250,000, the Monitor and the Applicant shall not accept, admit, settle, resolve, value (for any purpose) or revise such Disputed Director/Officer Claim or any part thereof without the consent of the Majority Consenting Noteholders or a further Order of the Court.

EXCLUDED CLAIMS

39. **THIS COURT ORDERS** that, for greater certainty, no Person holding an Excluded Claim shall be required to file a Proof of Claim in respect of such Excluded Claim, and such Person shall be unaffected by this Order in respect of such Excluded Claim.

SET-OFF

40. **THIS COURT ORDERS** that the Applicant may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to the Plan to any Creditor, any claims of any nature whatsoever that the Applicant may have against such Creditor, however, neither the failure to do so nor the

allowance of any Claim hereunder shall constitute a waiver or release by the Applicant of any such claim that the Applicant may have against such Creditor.

NOTICE OF TRANSFEREES

41. **THIS COURT ORDERS** that, subject to paragraph 43, if after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Applicant shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Applicant and the Monitor in writing at least three (3) Business Days before the Meeting and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receipt and acknowledgement by the Applicant and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which the Applicant may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to the Applicant. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.
42. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws, a Creditor (other than a Noteholder) may transfer or assign the whole of its Claim after the Meeting provided that the Applicant or the Monitor shall not be obliged to make

distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as a Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as the Applicant and the Monitor may reasonably require, has been received by the Applicant and the Monitor at least two Business Days before the Implementation Date, or such other date as the Monitor may agree, failing which the original transferor shall have all applicable rights as the "Creditor" with respect to such Claim as if no transfer of the Claim had occurred. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order constitute the Creditor in respect of the transferred or assigned Claim and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, the Applicant shall not recognize partial transfers or assignments of Claims.

43. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall restrict Noteholders who have beneficial ownership of a Claim in respect of Notes from transferring or assigning such Claim, in whole or in part, in connection with a transfer of such Noteholders' Notes, and any such transfer or assignment shall be governed by the provisions of the Plan and this Claims Procedure Order, provided that nothing in this paragraph shall limit or restrict the application of the provisions of the Support Agreement or the Election Form with respect to transfers of Notes, and provided further that if such transfer or assignment occurs after any applicable record date, the Applicant, the Monitor and their agents shall have no obligation to deal with such transferee or assignee as a Creditor in respect thereof for purposes of dealing with any matter in respect of which such record date was set, and the Applicant, the Monitor and their agents shall deal with the Noteholder who beneficially owned such notes as of such

record date in respect of any such matter. Noteholders who assign or acquire their Claims after the Implementation Date shall be wholly responsible for ensuring that plan distributions intended to be included within such assignments are in fact delivered to the assignee and neither the Applicant, the Monitor, CDS, DTC, the Trustees nor their agents, as applicable, shall have any liability in connection therewith.

SERVICE AND NOTICES

44. **THIS COURT ORDERS** that the Applicant and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver the Claims Package, any letters, notices or other documents to Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Applicant or set out in such Creditor's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) or the United States, and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.
45. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Creditor to the Monitor or the Applicant under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered

mail, courier, personal delivery, facsimile transmission or email addressed to:

If to the Applicant:

c/o Jaguar Mining Inc.
67 Yonge Street, Suite 1203
Toronto, Ontario, M5E 1J8
Attention: David M. Petroff, Chief Executive Officer

Email: david.petroff@jaguarmining.com.br

With a copy to:

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3800, P.O. Box 84
Toronto, Ontario, M5J 2Z4
Attention: Walied Soliman

Fax: (416) 216-3930
Email: Walied.Soliman@nortonrosefulbright.com

If to the Monitor:

FTI Consulting Canada Inc., Court-appointed Monitor of Jaguar Mining Inc.
Claims Process

TD South Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8
Attention: Greg Watson and Jodi Porepa

Fax: (416) 649-8101
Email: Greg.Watson@fticonsulting.com / Jodi.Porepa@fticonsulting.com

With a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 4600, P.O. Box 50
Toronto ON M5X 1B8
Attention: Marc Wasserman and Michael De Lellis

Fax: (416) 862-6666
Email: Mwasserman@osler.com / Mdelellis@osler.com

If to the Ad Hoc Committee

Goodmans LLP
Suite 3400
333 Bay Street
Bay Adelaide Centre
Toronto, Ontario M5H 2S7
Attention: Rob Chadwick and Melaney Wagner

Fax: (416) 979-1234
Email: rchadwick@goodmans.ca / mwagner@goodmans.ca

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

46. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.
47. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is later amended by further Order of the Court, the Applicant or the Monitor may post such further Order on the Monitor's website and such posting shall constitute adequate notice to Creditors of such amended claims procedure.

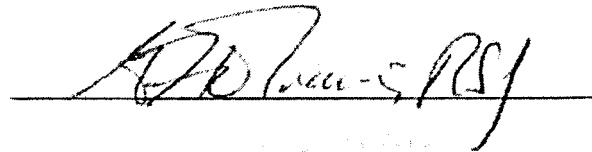
MISCELLANEOUS

48. **THIS COURT ORDERS** that the Applicant shall not oppose the Ad Hoc Committee

seeking standing in any proceeding before this Court, a claims officer, or otherwise in respect of the determination of any Claims.

49. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims into particular affected or unaffected classes for the purpose of a Plan and, for greater certainty, the treatment of Claims, Excluded Claims, or any other claims and the classification of creditors for voting and distribution purposes shall be subject to the terms of any proposed Plan, the Meeting Order or further Order of this Court.
50. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.
51. **THIS COURT ORDERS** that any interested party, other than the Applicant or the Monitor, that wishes to amend or vary this Order shall bring a motion before this Court on a date to be set by this Court upon the granting of this Order (the "Comeback Date"), and any such interested party shall give notice to the Applicant, the Monitor, the Ad Hoc Committee, Global Resource Fund and any other party or parties likely to be affected by the order sought at least four (4) Calendar Days in advance of the Comeback Date.
52. **THIS COURT ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount.

53. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.
54. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States of America, Brazil or any other foreign jurisdiction, to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.



DEC 23 2013
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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JAGUAR MINING INC. (the "Applicant")

Court File No: CV-13-10383
-JCL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LSUC#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant

Appendix "D"

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE MORAWETZ) MONDAY, THE 23RD
)
) DAY OF DECEMBER, 2013

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JAGUAR MINING INC.**

Applicant

MEETING ORDER

THIS MOTION made by the Applicant for an Order granting the relief set out in the Applicant's Notice of Motion, including *inter alia*:

- a) abridging, if necessary, the time for service of the Notice of Motion herein and dispensing with further service thereof;
- b) authorizing the Applicant to file with the Court a plan of compromise and arrangement of the Applicant under the *Companies' Creditors Arrangement Act* (the "CCAA");
- c) authorizing and directing the Applicant to call a meeting (the "Meeting" as more particularly defined in paragraph 25 hereof) of a single class of affected creditors

to consider and vote upon the plan of compromise and arrangement filed by the Applicant;

- d) providing certain directions in respect of the Share Offering contemplated by the Applicant's plan of compromise and arrangement; and
- e) granting such further relief as the Applicant may request and this Court shall permit,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of David M. Petroff, sworn December 23, 2013 (the "Petroff Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc. (the "Monitor") dated December 21, 2013 (the "Report"), filed, and on hearing the submissions of counsel for the Applicant, the Monitor, the Ad Hoc Committee (as defined in the Petroff Affidavit) and Global Resource Fund, no one appearing for any other person although duly served as appears from the affidavit of service of Evan Cobb sworn December 23, 2013,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion herein be and is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the draft Plan of Compromise and Arrangement in respect of the Applicant, which is included in Exhibit "A" to the Petroff Affidavit (as it may be amended in

accordance with its terms, the "Plan").

MONITOR'S ROLE

3. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under (i) the CCAA; (ii) the Initial Order; and (iii) the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.

4. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Meeting Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, or as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

PLAN OF COMPROMISE AND ARRANGEMENT

5. **THIS COURT ORDERS** that the Plan be and is hereby accepted for filing with the Court, and that the Applicant is authorized to seek approval of the Plan by the Affected Unsecured Creditors holding Voting Claims (as defined in the Claims Procedure Order) or Disputed Voting Claims (as defined in the Claims Procedure Order) (each an "Eligible Voting Creditor") at the Meeting in the manner set forth herein.

6. **THIS COURT ORDERS** that the Applicant be and is hereby authorized to amend, modify

and/or supplement the Plan, provided that any such amendment, modification or supplement shall be made in accordance with the terms of Section 13.4 of the Plan.

7. **THIS COURT ORDERS** that, if any amendments, modifications and/or supplements to the Plan as referred to in paragraph 6, above, would, if disclosed, reasonably be expected to affect an Eligible Voting Creditor's decision to vote for or against the Plan, notice of such amendment, modification and/or supplement shall be distributed in advance of the Meeting, subject to further order of this Court, by the Monitor using the method most reasonably practicable in the circumstances, as the Monitor may determine.

NOTICE OF MEETINGS

8. **THIS COURT ORDERS** that each of the following in substantially the forms attached to this Order as Schedules "A", "B", "C", "D", and "E", respectively, are hereby approved:

- (a) the form of notice of the Meeting and Sanction Hearing (the "Notice of Meeting");
- (b) the form of proxy for Affected Unsecured Creditors (the "Affected Creditors Proxy");
- (c) the voting instruction form for Beneficial Noteholders with respect to the Noteholders Allowed Claim (the "Beneficial Noteholder Voting Instruction Form");
- (d) the election form for Noteholders with respect to the Share Offering (the "Election Form"); and
- (e) the form of Master Proxy for Participant Holders (the "Master Proxy")

(collectively, with the Applicant's information circular, the "Information Package").

9. **THIS COURT ORDERS** that, notwithstanding paragraph 8 above, but subject to paragraph 6 above, the Applicant is hereby authorized to make such amendments, modifications and/or supplements to the Information Package, as the Applicant or the Monitor may determine ("Additional Information"), and that notice of such Additional Information shall be distributed by the Monitor using the method most reasonably practicable in the circumstances, as the Monitor may determine; provided, however, that such Additional Information is subject to the prior consent of the Majority Consenting Noteholders and the Monitor unless the Applicant determines (in consultation with its legal counsel) that such Additional Information is required by applicable Laws (in which case the Applicant shall provide advance written notice of such Additional Information to the Monitor, and to the Majority Consenting Noteholders by delivery of such written notice to Goodmans LLP, as counsel to the Ad Hoc Committee).

10. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of the Information Package (and any amendments made thereto in accordance with paragraph 9 hereof), this Order, and the Report to be posted on the Monitor's Website. The Monitor shall ensure that the Information Package (and any amendments made thereto in accordance with paragraph 9 hereof) remains posted on the Monitor's Website until at least one (1) Business Day after the Implementation Date.

11. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall send the Information Package (other than the Affected Creditors Proxy) to Globic Advisors (the "Solicitation/Election Agent").

12. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall send the Information Package (without the Instructions to Participant Holders, Beneficial Noteholder Voting Instruction Form, Master Proxy and the Election Form) to all Unsecured Creditors (other than Noteholders) known to the Applicant (and as the Applicant has advised the Monitor) as of the date of this Order by regular mail, facsimile, courier or e-mail at the last known address (including fax number or email address) for such Creditors set out in the books and records of the Applicant.

13. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Applicant shall advise the Monitor of any known Creditors as of the date of this Order.

14. **THIS COURT ORDERS** that, as soon as practicable following the receipt of a request therefor, the Monitor shall send a copy of the Information Package (without the Instructions to Participant Holders, Beneficial Noteholder Voting Instruction Form, Master Proxy and the Election Form) by registered mail, facsimile, courier or e-mail, to each person who claims to be an Unsecured Creditor (other than Noteholders) and who, no later than three (3) Business Days prior to the Meeting (or any adjournment thereof), makes a written request for it.

15. **THIS COURT ORDERS** that, (i) as soon as practicable after the granting of this Order, and (ii) on or within one Business Day of January 6, 2014, the Monitor shall use reasonable efforts to cause the Notice of Meeting (substantially in the form attached hereto as Schedule "A") to be published for a period of one (1) Business Day in The Globe and Mail (National Edition) and the Wall Street Journal.

NOTEHOLDERS SOLICITATION PROCESS

16. **THIS COURT ORDERS** that the record date for the purposes of determining which Noteholders are entitled to receive notice of the Meeting and vote at the Meeting with respect to

their Noteholder's Allowed Claim shall be 5:00 p.m. (Toronto time) on December 19, 2013 (the "Noteholder Voting Record Date"), without prejudice to the right of the Applicant, with the consent of the Monitor and the Majority Consenting Noteholders, to set any other record date or dates for the purpose of distributions under the Plan or other purposes.

17. **THIS COURT ORDERS** that, unless already provided, as soon as practicable after the granting of this Order, the Trustees shall provide the Solicitation/Election Agent and the Monitor with a list showing the names and addresses of all persons who are DTC participants (each, a "Participant Holder") and the principal amount of Notes held by each Participant Holder as at the Noteholder Voting Record Date (the "Participant Holders List").

18. **THIS COURT ORDERS** that, upon receipt by the Solicitation/Election Agent and the Monitor of the Participant Holders List or other information identifying Participant Holders, the Solicitation/Election Agent shall promptly contact each Participant Holder to determine, in consultation with the Monitor, the number of Information Packages for Beneficial Noteholders such Participant Holder requires in order to provide one to each Beneficial Noteholder that has an account (directly or indirectly through an agent or custodian) with the Participant Holder, in which case each Participant Holder shall provide to the Solicitation/Election Agent a response within three (3) Business Days of receipt of this information request. The Solicitation/Election Agent shall forthwith deliver a copy of that response to the Monitor.

19. **THIS COURT ORDERS** that:

- (a) Upon receiving from a Participant Holder the information referred to in paragraph 18, the Solicitation/Election Agent, in consultation with the Monitor, shall send the Information Package (other than the Affected Creditors Proxy) to such Participant Holder via e-mail (with a copy to the Monitor) for distribution to

the applicable Beneficial Noteholders by such Participant Holder;

- (b) On or before two (2) Business Days following the date of this Order, the Solicitation/Election Agent, in consultation with the Monitor, shall send via email to the Trustees, an electronic copy of the Information Package (other than the Affected Creditors Proxy); and
- (c) As soon as practicable after the Applicant, the Monitor or the Solicitation/Election Agent receives a request from any person claiming to be a Beneficial Noteholder, the Solicitation/Election Agent, in consultation with the Monitor, shall send via email to such Beneficial Noteholder (with a copy to the Monitor) an electronic copy of the Information Package (other than the Affected Creditors Proxy).

20. **THIS COURT ORDERS** that each Participant Holder shall within three (3) Business Days of receipt of an Information Package complete the applicable section of the Beneficial Noteholder Voting Instruction Form and Election Form for each Beneficial Noteholder which has an account (directly or through an agent or custodian) with such Participant Holder and deliver to each such Beneficial Noteholder the Beneficial Noteholder Voting Instruction Form and Election Form as so completed and one copy of the Applicant's information circular (the "Information Circular") and the Notice of Meeting. The Participant Holder shall take any other action required to enable such Beneficial Noteholder to return to the Participant Holder a completed Beneficial Noteholder Voting Instruction Form and Election Form and to vote at the Meeting with respect to the Notes owned by such Beneficial Noteholder as at the Noteholder Voting Record Date and participate in the Share Offering.

21. **THIS COURT ORDERS** that accidental failure of, or accidental omission by, the Solicitation/Election Agent to provide a copy of the Information Package to any one or more of

the Participant Holders, the non-receipt of a copy of the Information Package by any Noteholder beyond the reasonable control of the Solicitation/Election Agent or any failure or omission to provide a copy of the Information Package as a result of events beyond the reasonable control of the Solicitation/Election Agent (including, without limitation, any inability to use postal services) shall not constitute a breach of this Order, and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if any such failure or omission is brought to the attention of the Monitor prior to the Meeting, then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

22. **THIS COURT ORDERS** that the Monitor shall have no liability whatsoever to any Person regarding any act taken by, or any omission from, the Solicitation/Election Agent in connection with the Solicitation/Election Agent's responsibilities and activities in performing the services to the Applicant that are set out in this Order, the Claims Procedure Order, any agreement with the Applicant or any other order of this Court, and all Persons shall be and are hereby barred from commencing any action or proceeding against the Monitor with respect thereto.

23. **THIS COURT ORDERS** that with respect to votes to be cast at the Meeting by a Noteholder, it is the Beneficial Noteholder (and for greater certainty not the Registered Holder or the Participant Holder of such Notes, unless such Registered Holder or Participant Holder holds such Notes on its own behalf and not on behalf of any Beneficial Noteholder) who is entitled to cast such votes as an Eligible Voting Creditor. Each Beneficial Noteholder (or Registered Holder or Participant Holder that holds such Notes on its own behalf and not on behalf of any Beneficial Noteholder) that casts a vote at the Meeting in accordance with this Order shall be counted as an individual Creditor.

NOTICE SUFFICIENT

24. **THIS COURT ORDERS** that the publication of the Notice of Meeting in accordance with paragraph 15 above, the sending of a copy of the Information Package to Creditors in accordance with paragraph 12 above, the posting of the Information Package on the Monitor's Website, and the provision of notice to the Noteholders and others in the manner set out in paragraphs 10, 12, 16, 17 through 20 above, shall constitute good and sufficient notice of this Order, the Plan and the Notice of Meeting on all Persons who may be entitled to receive notice thereof, or who may wish to be present in person or by proxy at the Meeting or in these proceedings, and no other form of notice need be made on such Persons and no other document or material need be delivered to such Persons in respect of these proceedings. Notice shall be effective, in the case of mailing, three (3) Business Days after the date of mailing, in the case of delivery by courier, on the day after the courier was sent, in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch and in the case of delivery by fax or e-mail, on the day the fax or e-mail was transmitted, unless such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m., in which case, on the next Business Day.

THE MEETING

25. **THIS COURT ORDERS** that the Applicant is hereby authorized and directed to call, hold and conduct a meeting at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 3800, Toronto, Ontario, M5J 2Z4 on January 28, 2014, at 10:00 a.m. for the Affected Creditors Class (the "Meeting"), or as adjourned to such places and times as the Chair or Monitor may determine in accordance with paragraph 46 hereof, for the purposes of considering and voting on the resolution to approve the Plan and transacting such

other business as may be properly brought before the Meeting.

26. **THIS COURT ORDERS** that the only Persons entitled to notice of, to attend or to speak at the Meeting are the Eligible Voting Creditors (or their respective duly appointed proxyholders), representatives of the Monitor, the Applicant, the Consenting Noteholders, the Trustees, all such parties' financial and legal advisors, the Chair, Secretary and the Scrutineers. Any other person may be admitted to the Meeting only by invitation of the Applicant or the Chair.

AFFECTED CREDITORS CLASS

27. **THIS COURT ORDERS** that, for the purposes of voting at the Meeting, each Affected Unsecured Creditor (including a Beneficial Noteholder with respect to its Noteholder's Allowed Claim) shall be entitled to one vote as a member of the Affected Creditors Class.

28. **THIS COURT ORDERS** that, for the purposes of voting at the Meeting, the Voting Claim of any Beneficial Noteholder (or Registered Holder or Participant Holder that holds such Notes on its own behalf and not on behalf of any Beneficial Noteholder) shall be deemed to be equal to its Noteholder's Allowed Claim, as at the Noteholder Voting Record Date.

VOTING BY PROXIES

29. **THIS COURT ORDERS** that all proxies (including Master Proxies) submitted in respect of the Meeting (or any adjournment thereof) must be (a) submitted to the Monitor on or before 10:00 a.m. on the Business Day before the Meeting; and (b) in substantially the form attached to this Order as Schedule "B" (or, in the case of Master Proxies, Schedule "E") or in such other form acceptable to the Monitor or the Chair. The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy is completed and executed, and may waive strict compliance with the requirements in connection

with the deadlines imposed in connection therewith.

30. **THIS COURT ORDERS** that each of the Beneficial Noteholders who holds its Notes through a Participant Holder and who wishes to vote at the Meeting shall execute a Beneficial Noteholder Voting Instruction Form, attached as Schedule "C".

31. **THIS COURT ORDERS** that in order to cast its vote at the Meeting, each of the Beneficial Noteholders shall execute the Beneficial Noteholder Voting Instruction Form and return the Beneficial Noteholder Voting Instruction Form to their respective Participant Holder at or before 1:00 p.m. on the second Business Day before the Meeting. The Beneficial Noteholder Voting Instruction Form must clearly state the name and contain the signature of the applicable Participant Holder, the applicable account number or numbers of the account or accounts maintained by such Beneficial Noteholder with such Participant Holder, and the principal amount of Notes that such Beneficial Noteholder holds in each account or accounts (or otherwise).

32. **THIS COURT ORDERS** that each Participant Holder shall verify the Beneficial Noteholders' holdings of Notes indicated on the Beneficial Noteholder Voting Instruction Forms received by such Participant Holder and complete and include the amounts of such holdings on that Participant Holder's Master Proxy and shall deliver such Master Proxy so that it is received by the Solicitation/Election Agent at or before 5:00 p.m. on the second Business Day before the Meeting.

33. **THIS COURT ORDERS** that, the Solicitation/Election Agent shall, as soon as reasonably practical after receipt of Master Proxies, deliver the relevant information to the Monitor. By no later than 10:00 a.m. on the Business Day before the Meeting, the Solicitation/Election Agent shall deliver to the Monitor a summary of all information received by

the Solicitation/Election Agent along with copies of all Master Proxies received by the Solicitation/Election Agent. Notwithstanding the foregoing, the Chair shall have the discretion to accept for voting purposes any duly completed Beneficial Noteholder Voting Instruction Form filed at the Meeting with the Chair (or the Chair's designee) prior to the commencement of the Meeting.

34. **THIS COURT ORDERS** that, for the purposes of tabulating the votes cast on any matter that may come before the meeting, the Chair shall be entitled to rely on any vote cast by a holder of all proxies (including the Affected Creditors Proxies and all Master Proxies) that have been duly submitted to the Monitor in the manner set forth in this Meeting Order without independent investigation.

35. **THIS COURT ORDERS** that paragraphs 29 through 35 hereof, and the instructions contained in the Affected Creditors Proxy, the Beneficial Noteholders Voting Instruction Form and the Master Proxy attached hereto as Schedules "B", "C" and "E" shall govern the submission of such documents and any deficiencies in respect of the form or substance of such documents filed with the Monitor.

TRANSFERS OR ASSIGNMENTS OF CLAIMS

36. **THIS COURT ORDERS** that an Affected Unsecured Creditor other than a Noteholder may transfer or assign the whole of its Affected Unsecured Claim prior to the Meeting, in accordance with the Claims Procedure Order. If an Affected Unsecured Creditor other than a Noteholder transfers or assigns the whole of an Affected Unsecured Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Unsecured Claim at the applicable Meeting unless (i) the assigned Affected Unsecured Claim is a Voting Claim or Disputed Claim, or a combination thereof, and (ii) satisfactory notice of and proof of transfer or assignment has been delivered to the Monitor in accordance with the

Claims Procedure Order no later than three (3) Business Days prior to the date of the applicable Meeting.

37. **THIS COURT ORDERS** that nothing in this Order shall restrict the Noteholders who have beneficial ownership of a Claim in respect of the Notes from transferring or assigning such Claim, in whole or in part, and any such transfer or assignment shall be governed by the provisions of the Plan and the Claims Procedure Order, provided that nothing in this paragraph 37 shall limit or restrict the application of the Noteholder Voting Record Date and paragraph 16 hereof or the provisions of the Support Agreement or the Election Form with respect to transfers of Notes.

DISPUTED VOTING CLAIMS

38. **THIS COURT ORDERS** that notwithstanding anything to the contrary herein, in the event that an Affected Unsecured Creditor holds a Claim that is a Disputed Voting Claim as at the date of the Meeting, such Creditor may attend the Meeting and such Disputed Voting Claim may be voted at such Meeting by such Creditor (or its duly appointed proxyholder) in accordance with the provisions of this Order, without prejudice to the rights of the Applicant, the Monitor or the holder of the Disputed Voting Claim with respect to the final determination of the Disputed Claim for distribution purposes, and such vote shall be separately tabulated as provided herein, provided that votes cast in respect of any Disputed Voting Claim shall not be counted for any purpose, unless, until and only to the extent that such Disputed Voting Claim is finally determined to be a Voting Claim.

ENTITLEMENT TO VOTE AT THE MEETING

39. **THIS COURT ORDERS** that, for greater certainty, and without limiting the generality of anything in this Order, Persons holding Excluded Claims are not entitled to vote on the Plan at

the Meeting in respect of such Excluded Claim and, except as otherwise permitted herein, shall not be entitled to attend the Meeting.

40. **THIS COURT ORDERS** that subject to paragraphs 36 and 37, the only Persons entitled to vote at the Meeting in person or by proxy are Affected Unsecured Creditors.

41. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, any Person with a Claim that meets the definition of "equity claim" under section 2(1) of the CCAA shall have no right to, and shall not, vote at the Meeting.

PROCEDURE AT THE MEETING

42. **THIS COURT ORDERS** that Greg Watson or another representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meeting (the "Chair") and, subject to this Order or any further Order of the Court, shall decide all matters relating to the conduct of the Meeting.

43. **THIS COURT ORDERS** that a person designated by the Monitor shall act as secretary at the Meeting (the "Secretary") and the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting (the "Scrutineers"). The Scrutineers shall tabulate the votes in respect of all Voting Claims and Disputed Voting Claims, if any, at the Meeting.

44. **THIS COURT ORDERS** an Eligible Voting Creditor that is not an individual may only attend and vote at the Meeting if it has appointed a proxyholder to attend and act on its behalf at such Meeting.

45. **THIS COURT ORDERS** that the quorum required at the Meeting shall be one Creditor with a Voting Claim present at such Meeting in person or by proxy. If the requisite quorum is not

present at the Meeting, then such Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.

46. **THIS COURT ORDERS** the Meeting shall be adjourned to such date, time and place as may be designated by the Chair or the Monitor, if:

- (a) the requisite quorum is not present at the Meeting;
- (b) the Meeting is postponed by a vote of the majority in value of the Creditors with Voting Claims present in person or by proxy at the Meeting; or
- (c) prior to or during the Meeting, the Chair or the Monitor, in consultation with the Applicant and the Majority Consenting Noteholders, otherwise decides to adjourn such Meeting.

The announcement of the adjournment by the Chair at such Meeting (if the adjournment is during the Meeting), the posting of notice of such adjournment on the Monitor's Website, and written notice to the Service List with respect to such adjournment shall constitute sufficient notice of the adjournment and neither the Applicant nor the Monitor shall have any obligation to give any other or further notice to any Person of the adjourned Meeting.

47. **THIS COURT ORDERS** that the Chair be and is hereby authorized to direct a vote at the Meeting, by confidential written ballot or by such other means as the Chair may consider appropriate, with respect to: (i) a resolution to approve the Plan and any amendments thereto; and (ii) any other resolutions as the Monitor may consider appropriate in consultation with the Applicant and the Majority Consenting Noteholders.

48. **THIS COURT ORDERS** that the Monitor shall keep separate tabulations of votes cast in

respect of:

- (a) Voting Claims; and
- (b) Disputed Voting Claims, if applicable.

49. **THIS COURT ORDERS** that following the votes at the Meeting, the Scrutineers shall tabulate the votes and the Monitor shall determine whether the Plan has been accepted by the majorities of the Affected Creditor Class required pursuant to section 6 of the CCAA (the "Required Majorities").

50. **THIS COURT ORDERS** that the Monitor shall file a report with this Court by no later than one (1) Business Day after the Meeting or any adjournment thereof, as applicable, with respect to the results of the vote, including whether:

- (a) the Plan has been accepted by the Required Majorities in the Affected Creditor Class; and
- (b) whether the votes cast in respect of Disputed Voting Claims, if applicable, would affect the result of the vote.

51. **THIS COURT ORDERS** that a copy of the Monitor's report regarding the Meeting and the Plan shall be posted on the Monitor's Website prior to the Sanction Hearing.

52. **THIS COURT ORDERS** that if the votes cast by the holders of Disputed Voting Claims would affect whether the Plan has been approved by the Required Majorities, the Monitor shall report this to the Court in accordance with paragraph 50 of this Order, in which case (i) the Applicant or the Monitor may request this Court to direct an expedited determination of any material Disputed Voting Claims, as applicable, (ii) the Applicant may request that this Court

defer the date of the Sanction Hearing, (iii) the Applicant may request that this Court defer or extend any other time periods in this Order or the Plan, and/or (iv) the Applicant or the Monitor may seek such further advice and direction as may be considered appropriate.

TREATMENT OF CREDITORS

53. **THIS COURT ORDERS** that the result of any vote conducted at the Meeting shall be binding upon all Creditors of the Affected Creditor Class, whether or not any such Creditor was present or voted at the Meeting.

SANCTION HEARING AND ORDER

54. **THIS COURT ORDERS** that if the Plan has been accepted by the Required Majorities, the Applicant shall bring a motion seeking the Sanction Order on January 30, 2014, or as soon thereafter as the matter can be heard (the "Sanction Hearing").

55. **THIS COURT ORDERS** that service of the Notice of Meetings and the posting of this Order to the Monitor's Website pursuant to paragraphs 10 to 15 hereof shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who may be entitled to receive such service and no other form of service or notice need be made on such Persons and no other materials need be served on such Persons in respect of the Sanction Hearing unless they have served and filed a Notice of Appearance in these proceedings.

56. **THIS COURT ORDERS** that any Person (other than the Applicant, the Monitor, Global Resource Fund, and counsel to the Ad Hoc Committee) wishing to receive materials in connection with the Sanction Hearing shall serve upon the lawyers for each of the Applicant, the Monitor, the Ad Hoc Committee, Global Resource Fund and all other parties on the Service List and file with this Court a Notice of Appearance by no later than 5:00 p.m. (Toronto time) on the

date that is 7 days prior to the Sanction Hearing.

57. **THIS COURT ORDERS** that any Person who wishes to oppose the motion for the Sanction Order shall serve upon the lawyers for each of the Applicant, the Monitor, the Ad Hoc Committee, Global Resource Fund and upon all other parties on the Service List, and file with this Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than 5:00 p.m. (Toronto time) on the date that is 4 days prior to the Sanction Hearing.

58. **THIS COURT ORDERS** that if the Sanction Hearing is adjourned, only those Persons who are listed on the Service List (including those Persons who have complied with paragraph 56 of this Order) shall be served with notice of the adjourned date of the Sanction Hearing.

SHARE OFFERING

59. **THIS COURT ORDERS** that the record date for determining Eligible Investors entitled to participate in the Share Offering shall be 5:00 p.m. (Toronto time) on December 19, 2013 (the "Subscription Record Date").

60. **THIS COURT ORDERS** that, subject to Section 5.2(c) of the Plan, only Eligible Investors as at the Subscription Record Date are entitled to participate in the Share Offering.

61. **THIS COURT ORDERS** that the Applicant, in consultation with the Monitor, is authorized to use the Election Forms (including the forms of Rep Letters), substantially in the form of the draft attached as Schedule "D" hereto, with such amendments and additional information as the Applicant, in consultation with the Monitor, may determine are necessary or desirable, subject to the prior consent of the Majority Consenting Noteholders.

62. **THIS COURT ORDERS** that, subject to Section 5.2(c) of the Plan, in order to be qualified to participate in the Share Offering, Eligible Investors will be required to:

- (a) properly complete and duly execute an Election Form (including the appropriate form of Rep Letter); and
- (b) forward their properly completed and executed Election Form (including the properly completed, duly executed Rep Letter) to the Participant Holder by 1:00 p.m. on the second Business Day before the Meeting, so that it can be delivered by the Participant Holder to the Solicitation/Election Agent on or prior to 5:00 p.m. on the second Business Day before the Meeting (the "Election Deadline") or such later date as the Applicant may determine is appropriate in the circumstances subject to the prior consent of the Majority Consenting Noteholders and the Monitor.

63. **THIS COURT ORDERS** that each Participant Holder shall:

- (a) medallion/signature guarantee an Election Form for each Beneficial Noteholder which has an account (directly or through an agent or custodian) with such Participant Holder by applying or affixing such Participant Holder's Medallion/Signature Guarantee to the Election Form endorsed by the Participant Holder and restricted to the principal amount of Notes held by the Beneficial Noteholder as of December 31, 2013; and
- (b) deliver all Election Forms received by it pursuant to paragraph 62 above so that such Election Forms are received by the Solicitation/Election Agent (with a copy to the Monitor) on or prior to the Election Deadline or such later date as the

Applicant may determine is appropriate in the circumstances subject to the prior consent of the Majority Consenting Noteholders and the Monitor.

64. **THIS COURT ORDERS** that Eligible Investors will not be permitted to participate in the Share Offering as Participating Eligible Investors if the Solicitation/Election Agent has not received the Election Form, properly completed, duly executed and medallion/signature guaranteed, by the Election Deadline or such later date as the Applicant may determine is appropriate in the circumstances, subject to the prior consent of the Majority Consenting Noteholders and the Monitor.

GENERAL

65. **THIS COURT ORDERS** that the Applicant and the Monitor, in consultation with the Majority Consenting Noteholders, may, in their discretion, generally or in individual circumstances, waive in writing the time limits imposed on any Creditor under this Order if each of the Applicant and the Monitor deem it advisable to do so, without prejudice to the requirement that all other Creditors must comply with the terms of this Order.

66. **THIS COURT ORDERS** that any notice or other communication to be given pursuant to this Order by or on behalf of any Person to the Monitor or to the Solicitation/Election Agent shall be in writing and will be sufficiently given only if by mail, courier, e-mail, fax or hand-delivery addressed to:

(a) in the case of the Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
Suite 2010
79 Wellington Street
Toronto, Ontario M5K 1G8

Attention: Greg Watson and Jodi Porepa
Fax: (416) 649-8101
Email: Greg.Watson@fticonsulting.com
Jodi.Porepa@fticonsulting.com

(b) in the case of the Solicitation/Election Agent:

Globic Advisors
One Liberty Plaza, 23rd Floor
New York, NY
10006

Attention: Robert Stevens
Fax: (212) 271-3252
Email: rstevens@globic.com

(c) in the case of the Ad Hoc Committee:

Goodmans LLP
Suite 3400
333 Bay Street
Bay Adelaide Centre
Toronto, Ontario M5H 2S7

Attention: Rob Chadwick and Melaney Wagner
Fax: (416) 979-1234
Email: rchadwick@goodmans.ca
mwagner@goodmans.ca

67. **THIS COURT ORDERS** that notwithstanding any provision herein to the contrary, the Participant Holders, the Solicitation/Election Agent and the Monitor shall be entitled to rely upon any communication given pursuant to this Order (including any delivery of Election Forms, Master Proxies, Affected Creditor Proxies and Beneficial Noteholder Voting Instruction Forms) by e-mail or fax.

68. **THIS COURT ORDERS** that if any deadline set out in this Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

69. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

70. **THIS COURT ORDERS** that any interested party, other than the Applicant or the Monitor, that wishes to amend or vary this Order shall bring a motion before this Court on a date to be set by this Court upon the granting of this Order (the "Comeback Date"), and any such interested party shall give notice to each of the Applicant, the Monitor, the Ad Hoc Committee, Global Resource Fund and any other party or parties likely to be affected by the order sought at least four (4) days in advance of the Comeback Date.

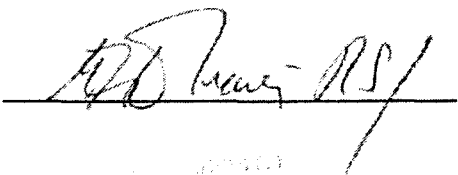
71. **THIS COURT ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount.

EFFECT, RECOGNITION AND ASSISTANCE

72. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

73. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Brazil or elsewhere to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.


A.D. Harvey
DEC 23 2013
NB

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JAGUAR MINING INC. (the "Applicant")

Court File No: CV-13-10383
-006

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MEETING ORDER

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LSUC#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant

Appendix “E”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF JAGUAR MINING INC. (the "Applicant")

**PLAN OF COMPROMISE AND ARRANGEMENT
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
OF JAGUAR MINING INC.**

DECEMBER 23, 2013

RECITALS

- (A) Jaguar Mining Inc. (the "**Applicant**" or "**Jaguar**") is a debtor company (as such term is defined in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
- (B) On December 23, 2013, the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted the following Orders pursuant to the CCAA:
- (i) an Initial Order in respect of the Applicant (as such Order may be amended, restated or varied from time to time, the "**Initial Order**");
 - (ii) a Plan Filing and Meeting Order (as such Order may be amended, restated or varied from time to time, the "**Meeting Order**") pursuant to which, among other things, the Applicant was authorized to file this plan of compromise and arrangement and to convene a meeting of affected creditors to consider and vote on this plan of compromise and arrangement; and
 - (iii) a Claims Procedure Order (as such Order may be amended, restated or varied from time to time, the "**Claims Procedure Order**"), which, among other things,

established the procedures by which claims of affected creditors shall be filed in these proceedings.

- (C) Mineração Serras Do Oeste Ltda. (“**MSOL**”), Mineração Turmalina Ltda. (“**MTL**”), and MCT Mineração Ltda. (“**MCT**”), each incorporated under the laws of Brazil, are wholly-owned subsidiaries of Jaguar and are not applicants in the CCAA Proceedings.
- (D) The purpose of this Plan is to facilitate the continuation of the business of the Jaguar Group (as hereinafter defined) as a going concern, address certain liabilities of the Applicant, and effect a recapitalization and financing transaction on an expedited basis to provide a stronger financial foundation for the Jaguar Group going forward and additional liquidity to allow the Jaguar Group to continue to work towards its operational and financial goals from and after the Implementation Date in the expectation that all Persons (as hereinafter defined) with an economic interest in the Jaguar Group will derive a greater benefit from the implementation of this Plan than would otherwise result.

NOW THEREFORE the Applicant hereby proposes and presents this Plan under the CCAA.

ARTICLE 1 – INTERPRETATION

1.1 Definitions

In this Plan and the Recitals, unless otherwise stated or unless the subject matter or context otherwise requires:

“4.5% Convertible Note Indenture” means the Indenture dated as of September 15, 2009 among Jaguar, as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which Jaguar issued the 4.5% convertible notes;

“5.5% Convertible Note Indenture” means the Indenture dated as of February 9, 2011 among Jaguar as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which Jaguar issued the 5.5% convertible notes;

“Accrued Interest Claim” means, with respect to a particular Participating Eligible Investor or Funding Backstop Party, all unpaid interest accrued under the Notes at the applicable rate under the Indentures owing as at the Record Date to such Participating Eligible Investor or Funding Backstop Party;

“Accrued Interest Claims” means the aggregate of all unpaid interest accrued under the Notes at the applicable rate under the Indentures owing as at the Record Date to the Participating Eligible Investors and Funding Backstop Parties;

“Accrued Interest Offering Shares” means 9,044,203 New Common Shares;

“Ad Hoc Committee” means the ad hoc committee of Noteholders represented by the Advisors;

“Administration Charge” has the meaning given to that term in the Initial Order;

“Advisors” means Goodmans LLP, Houlihan Lokey Capital, Inc., Dias Carneiro Advogados, Behre Dolbear & Company (USA), Inc. and Stroock & Stroock & Lavan LLP;

“Affected Creditor Class” has the meaning given to that term in Section 3.1;

“Affected Unsecured Claims” means all Claims against the Applicant that are not Equity Claims;

"Affected Unsecured Creditor" means the holder of an Affected Unsecured Claim in respect of and to the extent of such Affected Unsecured Claim;

"Allowed" means, with respect to a Claim, any Claim or any portion thereof that has been finally allowed as a Distribution Claim (as defined in the Claims Procedure Order) for purposes of receiving distributions under this Plan in accordance with the Claims Procedure Order and the CCAA;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter, including, where appropriate, any interpretation of the Law (or any part) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

"Applicant" has the meaning given to that term in Recital A;

"Articles of Reorganization" means the Articles of Reorganization of Jaguar to be filed pursuant to Section 186 of the OBCA and in accordance with Section 7.4(a) hereof, in form and substance satisfactory to Jaguar and the Majority Consenting Noteholders.

"Assumed Backstop Commitment" means, in the event of a Backstop Default/Termination, if any, a Backstop Commitment, or a portion thereof, assumed by an Assuming Backstop Party from a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, in accordance with the terms and conditions of this Plan and the Backstop Agreement;

"Assuming Backstop Party" means, in the event of a Backstop Default/Termination, if any, a Non-Defaulting Backstop Party, Non-Objecting Backstop Party, Non-Breaching/Non-Delivering Backstop Party, or such other party acceptable to the Backstop Parties and Jaguar in each case in accordance with the Backstop Agreement, that executes a Backstop Consent Agreement and that has assumed the obligations (and rights), or a portion thereof, of a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, under the Backstop Agreement, in accordance with the terms and conditions of this Plan and the Backstop Agreement. For greater certainty, any Assuming Backstop Party that has complied with its obligations under this Plan and the Backstop Agreement shall constitute and be treated as a Funding Backstop Party for purposes of this Plan;

"Backstop Agreement" means the backstop agreement dated November 13, 2013 (as amended from time to time) between certain Noteholders, Jaguar, MCT, MSOL and MTL, together with any Backstop Consent Agreements executed by other parties from time to time;

"Backstop Commitment" means, in respect of each Backstop Party, the commitment set forth on such Backstop Party's signature page to the Backstop Agreement or a Backstop Consent Agreement, as applicable, which commitment may be reduced in accordance with and subject to the terms and conditions of the Backstop Agreement and this Plan;

"Backstop Commitment Reduction Election" has the meaning given to such term in Section 4.1(c);

"Backstop Commitment Shares" means 11,111,111 New Common Shares;

"Backstop Consent Agreement" means an agreement substantially in the form of Schedule B to the Backstop Agreement;

"Backstop Consideration Commitment" means, in respect of each Backstop Party, the commitment set forth on such Backstop Party's signature page to the Backstop Agreement or a Backstop Consent Agreement, as applicable, which commitment, for greater certainty, shall not be reduced as a result of a Backstop Commitment Reduction Election;

“Backstop Default/Termination” means any of the following: (a) a breach by a Breaching Backstop Party under section 10(b)(i) or (ii) of the Backstop Agreement in respect of which the Backstop Agreement has been terminated with respect to such Breaching Backstop Party in accordance with its terms; (b) a failure by a Defaulting Backstop Party to meet its obligations in respect of its Backstop Commitment on or before the Backstop Funding Deadline; (c) a failure by a Non-Delivering Backstop Party to deliver an executed Rep Letter to Jaguar by the Election Deadline or if a representation or warranty made in such Rep Letter becomes untrue; and (d) the termination by an Objecting Backstop Party of its obligations under the Backstop Agreement in accordance with section 8(c) thereof;

“Backstop Funding Deadline” has the meaning given to such term in Section 4.1(g);

“Backstop Parties” means those Noteholders that have entered into the Backstop Agreement (including a Backstop Consent Agreement), and a **“Backstop Party”** means any one of the Backstop Parties, and their permitted assignees;

“Backstop Payment Amount” has the meaning given to such term in Section 4.1(f);

“Backstop Purchase Obligation” means the obligation of a Backstop Party to purchase Backstopped Shares in accordance with the terms and conditions of the Backstop Agreement and this Plan;

“Backstopped Shares” has the meaning given to such term in Section 4.1(f);

“Beneficial Noteholder” means a beneficial or entitlement holder of Notes holding such Notes in a securities account with a depository, a depository participant or other securities intermediary including, for greater certainty, such depository participant or other securities intermediary only if and to the extent such depository participant or other securities intermediary holds the Notes as a principal for its own account;

“Bradesco” means Banco Bradesco S.A.;

“Breaching Backstop Party” means a Backstop Party that has breached the Backstop Agreement under section 10(b)(i) or (ii) thereof and in respect of whom the Backstop Agreement has been terminated in accordance with its terms;

“Business Day” means any day, other than a Saturday, or a Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario and New York, New York;

“CCAA Proceedings” means the proceedings commenced by the Applicant under the CCAA as contemplated by the Initial Order;

“Charges” has the meaning ascribed thereto in the Initial Order;

“Claim” means:

- i. any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against the Applicant, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Applicant, and any interest accrued thereon or costs payable in respect thereof, in existence on the Filing Date, or which is based on an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and

whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation by the Applicant of any contract, lease or other agreement, whether written or oral, any claim made or asserted against the Applicant through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and including any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim against the Applicant for indemnification by Director or Officer in respect of a Director/Officer Claim but excluding any such indemnification claims covered by the Directors' Charge (each, a "Pre-filing Claim", and collectively, the "Pre-filing Claims");

- ii. any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral (each, a "Restructuring Period Claim", and collectively, the "Restructuring Period Claims"); and
- iii. any right or claim of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer (each a "Director/Officer Claim", and collectively, the "Director/Officer Claims"),

in each case other than any Excluded Claim;

"Commitment Reduction Electing Backstopper" has the meaning given to such term in Section 4.1(c);

"Common Share Consolidation" has the meaning given to such term in Section 7.4(a);

"Common Shares" means the common shares in the capital of Jaguar that are duly issued and outstanding at any time;

"Consenting Noteholder" means any Noteholder that has executed the Support Agreement (including a consent agreement substantially in the form of Schedule C thereto), in respect of whom the Support Agreement has not been terminated;

"Consolidation Number" means the quotient (to five decimal places) determined by dividing the number of Existing Shares by 1,000,000, which as of the date of this Plan is 86.39636.

"Continuing Other Director/Officer Claims" means Director/Officer Claims against the Other Directors

and/or Officers;

“**Court**” has the meaning given to that term in Recital B;

“**Credit Agreement**” means the credit agreement made as of December 17, 2012 between Jaguar, as borrower, the Subsidiaries, as guarantors, and Global Resource Fund, as lender.

“**Creditor**” means any Person having a Claim and includes without limitation the transferee or assignee of a Claim transferred and recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

“**Crown**” means Her Majesty in right of Canada or a province of Canada;

“**Crown Claim**” means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- i. subsection 224(1.2) of the ITA;
- ii. any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts;
- iii. any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - a. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
 - b. is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“**Defaulting Backstop Party**” means a Backstop Party that has failed to meet its obligations in respect of its Backstop Commitment on or before the Backstop Funding Deadline;

“**Designated Offshore Securities Market**” has the meaning given to that term in Rule 902 of Regulation S.

“**Direct Registration System Advice**” means, if applicable, a statement delivered by the Transfer Agent or any such Person’s agent to any Person entitled to receive New Common Shares pursuant to the Plan indicating the number of New Common Shares registered in the name of or as directed by the applicable Person in a direct registration account administered by the Transfer Agent in which those Persons entitled to receive New Common Shares pursuant to the Plan will hold such New Common Shares in registered form and including, if applicable, a securities law legend;

“**Director**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of Jaguar;

"Director/Officer Claim" has the meaning given to that term in the definition of Claim;

"Director/Officer Indemnity Claim" means any existing or future right of any Director or Officer of Jaguar against Jaguar that arose or arises as a result of any Person filing a Proof of Claim (as defined in the Claims Procedure Order) in respect of a Director/Officer Claim in respect of such Director or Officer of Jaguar for which such Director or Officer of Jaguar is entitled to be indemnified by Jaguar;

"Directors' Charge" has the meaning given to that term in the Initial Order;

"Disputed Distribution Claim" means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Distribution Claim (as defined in the Claims Procedure Order), which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order;

"Disputed Distribution Claims Reserve" means the reserve, if any, to be established by the Applicant on the Implementation Date, which shall be comprised of the Unsecured Creditor Common Shares that would have been delivered in respect of Disputed Distribution Claims if such Disputed Distribution Claims had been Allowed Claims as of such date;

"Disputed Voting Claim" means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Voting Claim, which is validly disputed for voting purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for voting purposes in accordance with the Claims Procedure Order;

"Distribution Claim" means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for distribution purposes in accordance with this Claims Procedure Order and the CCAA;

"Distribution Record Date" means the Business Day immediately before the Implementation Date;

"DSU Plan" means the Deferred Share Unit Plan for non-executive directors adopted in November of 2008 by Jaguar, as amended from time to time;

"DSU/RSU Notice" means a notice delivered by Goodmans to Jaguar prior to the date scheduled for the hearing of the motion for the Sanction Order, if, in satisfaction of Section 12.3(g) hereof, Jaguar and the Majority Consenting Noteholders have agreed to terminate the DSU Plan and/or the RSU Plan;

"DTC" means The Depository Trust Company, or any successor thereof;

"Early Consent Deadline" means November 26, 2013 (or such other date as the Applicant, the Monitor and the Majority Consenting Noteholders may agree);

"Early Consent Shares" means 5,000,000 New Common Shares;

"Early Consenting Noteholder" means any Noteholder that has executed the Support Agreement (including a consent agreement substantially in the form of Schedule C thereto) on or before the Early Consent Deadline and in respect of whom the Support Agreement has not been terminated;

"Election Deadline" means 5:00 p.m. on the second Business Day before the Meeting (or such other time or date as the Applicant and the Majority Consenting Noteholders may agree);

“Election Form” has the meaning given to that term in Section 4.1(b);

“Electing Eligible Investor” means an Eligible Investor who has completed and submitted an Election Form on or prior to the Election Deadline to participate in the Share Offering in accordance with the Meeting Order, provided that an Electing Eligible Investor that irrevocably elects under Section 4.1(b) to participate in the Share Offering and subscribes for such number of Offering Shares that is less than such Eligible Investor’s Pro Rata Share of all Offering Shares offered pursuant to the Share Offering shall be deemed to be an Electing Eligible Investor only in respect of such lesser amount, and shall not be treated as an Electing Eligible Investor in respect of the balance;

“Electing Eligible Investor Funding Amount” has the meaning given to that term in Section 4.1(d);

“Electing Eligible Investor Funding Deadline” has the meaning given to that term in Section 4.1(e);

“Eligible Investor” means a person that: (i) is a Noteholder as at the Subscription Record Date; and (ii) has delivered an executed Rep Letter to Jaguar on or before the Election Deadline and the information set forth in such Rep Letter is true and correct as of the Implementation Date, and such person’s permitted assignees;

“Eligible Voting Creditors” means Affected Unsecured Creditors holding Voting Claims or Disputed Voting Claims;

“Employee Priority Claims” means the following claims of Jaguar’s employees and former employees:

- i. claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act* (Canada) if Jaguar had become bankrupt on the Filing Date; and
- ii. claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the date of the Sanction Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about Jaguar’s business during the same period.

“Equity Claim” has the meaning set forth in section 2(1) of the CCAA;

“Escrow Agent” means an independent third party escrow agent agreed to by Jaguar and the Majority Backstop Parties, in each case acting reasonably;

“Escrow Agreement” means the escrow agreement entered into by the Escrow Agent, Jaguar and the applicable Participating Eligible Investors and Funding Backstop Parties in connection with the Share Offering;

“Excluded Claim” means

- i. any claims secured by any of the Charges;
- ii. any Section 5.1(2) Director/Officer Claims;
- iii. any claims that cannot be compromised pursuant to subsection 19(2) of the CCAA;
- iv. any claims of the Subsidiaries against the Applicant;
- v. any Secured Claims;

- vi. any Employee Priority Claims against the Applicant;
- vii. any Crown Claims against the Applicant;
- viii. the Trustees' claims under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture, if any;
- ix. any Post-Filing Claims;
- x. any claims of Persons who, at the Filing Date, are senior officers or employees of the Applicant, in respect of their employment arrangements or any termination of such arrangements; and
- xi. the Renvest Claim.

"Excluded Creditor" means a Person who has an Excluded Claim, but only in respect of and to the extent of such Excluded Claim;

"Existing Equity Holders" means, collectively, the Existing Shareholders and, as context requires, the Registered Holders or beneficial holders of Existing Share Options and the Registered Holders or beneficial holders of Rights, in their capacities as such;

"Existing Shareholders" means, as context requires, Registered Holders or beneficial holders of the Existing Shares, in their capacities as such;

"Existing Share Options" means all rights, options, warrants and other securities (other than the Notes) convertible or exchangeable into equity securities of Jaguar;

"Existing Shares" means all common shares of Jaguar that are issued and outstanding at the applicable time prior to the Implementation Time;

"Filing Date" means December 23, 2013;

"Funding Backstop Party" means a Backstop Party (i) in respect of whom the Backstop Agreement has not been terminated and (ii) unless such Backstop Party's Backstop Commitment has been reduced to zero in accordance with the Backstop Agreement and this Plan, who has deposited in escrow with the Escrow Agent either (a) its Backstop Payment Amount in full in cash; or (b) a qualified letter of credit in the full amount of its Backstop Payment Amount, in each case by the Backstop Funding Deadline and in accordance with the Backstop Agreement and Section 4.1(g) of this Plan;

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"Implementation Date" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in Section 12.6 hereof, or such other date as the Applicant, the Monitor and the Majority Consenting Noteholders may agree;

"Implementation Time" means 12:01 a.m. on the Implementation Date (or such other time as the

Applicant, the Monitor and the Majority Consenting Noteholders may agree);

“**Indentures**” means the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture;

“**Initial Order**” has the meaning given to that term in Recital B;

“**Insurance Policies**” means any insurance policy pursuant to which any Director or Officer is insured, in his or her capacity as a Director or Officer;

“**ITA**” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.);

“**Itaú BBA**” means Banco Itaú BBA S.A.;

“**Jaguar Group**” means, collectively, Jaguar, MSOL, MCT, MTL.;

“**Law**” means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, Brazil or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity;

“**Letter of Transmittal**” means a letter of transmittal to be used by Registered Holders of Existing Shares to obtain replacement share certificates reflecting the Common Share Consolidation;

“**Majority Backstop Parties**” means the Backstop Parties (other than Defaulting Backstop Parties) having at least 66 ^{2/3} % of the aggregate Backstop Commitment of the Backstop Parties (other than Defaulting Backstop Parties) at the time that a consent, approval, waiver or agreement is sought pursuant to the terms of this Plan;

“**Majority Consenting Noteholders**” means Consenting Noteholders holding at least a majority of the aggregate principal amount of all Notes held by all Consenting Noteholders at the time that a consent, approval, waiver or agreement is sought pursuant to the terms of this Plan;

“**MCT**” has the meaning given to that term in Recital C;

“**MSOL**” has the meaning given to that term in Recital C;

“**MTL**” has the meaning given to that term in Recital C;

“**Meeting**” means a meeting of the Affected Unsecured Creditors called for the purpose of considering and voting in respect of this Plan;

“**Monitor**” means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Jaguar in the CCAA Proceedings;

“**Named Directors and Officers**” means the current directors and officers of Jaguar and such other directors and officers as agreed to by the Majority Consenting Noteholders on or before 4 days prior to the Meeting;

“**New Board**” means the board of directors of Jaguar as named in the Sanction Order, the composition and size of which shall be satisfactory to the Majority Backstop Parties, subject to applicable Law;

“**New Common Shares**” means the 110,111,111 Common Shares to be issued by Jaguar on the Implementation Date in accordance with the steps set out in Section 7.4;

“Non-Breaching/Non-Delivering Backstop Parties” means those Backstop Parties that are neither Breaching Backstop Parties nor Non-Delivering Backstop Parties;

“Non-Defaulting Backstop Parties” means those Backstop Parties that are not Defaulting Backstop Parties;

“Non-Delivering Backstop Party” means a Backstop Party (who is not otherwise an Objecting Backstop Party) that has not delivered an executed Rep Letter to Jaguar by the Election Deadline or for whom a representation or warranty made in such Rep Letter becomes untrue;

“Non-Objecting Backstop Parties” means those Backstop Parties that are not Objecting Backstop Parties;

“Non-Released Director/Officer Claims” means Director/Officer Claims against the Directors and Officers of Jaguar in respect of which such Director or Officer has been adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct;

“Noteholder Released Claim” means the matters that are subject to release and discharge pursuant to Section 11.1(c);

“Noteholder Released Party” has the meaning given to that term in Section 11.1(c);

“Noteholder Voting Record Date” means December 19, 2013;

“Noteholders” means, as the context requires, the Registered Holders or beneficial holders of the Notes, in their capacities as such;

“Noteholders Allowed Claim” means all principal amounts outstanding and all accrued interest under the Notes as at the applicable record date under this Plan as determined in accordance with the Claims Procedure Order for purposes of voting on, and receiving distributions under, this Plan;

“Noteholder’s Allowed Claim” means, in respect of a particular Noteholder, all principal amounts outstanding and accrued interest under the Notes owing to such Noteholder as at the applicable record date under this Plan as determined in accordance with the Claims Procedure Order for purposes of voting on, and receiving distributions under, this Plan;

“Notes” means, collectively, the notes issued by Jaguar under and pursuant to the Indentures;

“Objecting Backstop Party” means a Backstop Party that has terminated its obligations under the Backstop Agreement in accordance with section 8(c) thereof;

“Offering Shares” means the 70,955,797 New Common Shares to be issued by Jaguar pursuant to the Share Offering;

“Offered Shares” means, collectively, the Offering Shares (including the Backstopped Shares), the Accrued Interest Offering Shares, and the Backstop Commitment Shares;

“Officer” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of Jaguar;

“Order” means any order of the Court in the CCAA Proceedings;

“Other Directors and/or Officers” means any Directors and/or Officers other than the Named Directors

and Officers;

"Outside Date" means February 28, 2014 (or such other date as the Applicant and the Majority Consenting Noteholders may agree);

"Participant Holder" has the meaning ascribed thereto in the Meeting Order;

"Participating Eligible Investor" has the meaning given to that term in Section 4.1(h);

"Participating Eligible Investor Shares" has the meaning given to that term in Section 4.1(h);

"Party" means a party to the Support Agreement and/or to the Backstop Agreement, and any reference to a Party includes its successors and permitted assigns; and **"Parties"** means every Party;

"Person" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

"Plan" means this plan of compromise and arrangement and any amendments, modifications or supplements hereto made in accordance with the terms hereof or made at the direction of the Court in the Sanction Order or otherwise with the consent of Jaguar and the Majority Consenting Noteholders, each acting reasonably;

"Plan Resolution" means the resolution of the Affected Unsecured Creditors relating to this Plan considered at the Meeting;

"Post-Filing Claim" means any claims against the Applicant that arose from the provision of authorized goods and services provided or otherwise incurred on or after the Filing Date in the ordinary course of business, but specifically excluding any Restructuring Period Claim;

"Pre-filing Claim" has the meaning given to that term in the definition of Claim;

"Pro Rata Share" means:

- (a) in respect of Unsecured Creditor Common Shares, the percentage that an Affected Unsecured Creditor's Allowed Affected Unsecured Claim calculated as at the Record Date bears to the aggregate of all Allowed Affected Unsecured Claims calculated as at the Record Date and all Disputed Distribution Claims calculated as at the Record Date;
- (b) in respect of the Early Consent Shares, the percentage that an Early Consenting Noteholder's Allowed Claim calculated as at the Record Date bears to the aggregate of all Early Consenting Noteholders' Allowed Claims calculated as at the Record Date;
- (c) in respect of the Subscription Privilege, the percentage that an Eligible Investor's Allowed Claim calculated as at the Record Date bears to the Noteholders Allowed Claim calculated as at the Record Date, subject to adjustment pursuant to Section 5.2(c) hereof;
- (d) in respect of the Accrued Interest Offering Shares, the percentage that a Participating Eligible Investor's Accrued Interest Claim or a Funding Backstop Party's Accrued Interest Claim (without duplication), as applicable, bears to the aggregate of all Accrued Interest

Claims;

- (e) in respect of the Backstop Commitment Shares, the percentage that a Funding Backstop Party's Backstop Consideration Commitment bears to the aggregate of all Funding Backstop Parties' Backstop Consideration Commitments; and
- (f) in respect of the Backstopped Shares, the percentage that a Backstop Party's Backstop Commitment bears to the aggregate of all Backstop Commitments.

"Record Date" means December 31, 2013;

"Registered Holder" means (i) in respect of the Notes, the holder of such Notes as recorded on the books and records of the Trustees, (ii) in respect of the Existing Shares, the holder of such Existing Shares as recorded on the share register maintained by the Transfer Agent, and (iii) in respect of the Existing Share Options, the holder of such Existing Share Options as recorded on the books and records of Jaguar;

"Regulation S" means Regulation S as promulgated by the US Securities Commission under the US Securities Act;

"Released Claims" means the matters that are subject to release and discharge pursuant to Section 11.1(a) and (b) hereof;

"Released Party" has the meaning given to that term in Section 11.1(b);

"Renvest Claim" means any claim for amounts owing by the Applicant to Global Resource Fund, pursuant to the Credit Agreement or pursuant to any Credit Document (as such term is defined in the Credit Agreement).

"Rep Letter" means a letter from a Noteholder, or an Assuming Backstop Party who is not a Noteholder, or an Affected Unsecured Creditor with an Allowed Affected Unsecured Claim who is not a Noteholder, if applicable in accordance with Section 5.2(c) hereof, to Jaguar containing representations and warranties relating to such Person's eligibility to acquire the Offering Shares (including the Backstopped Shares), Accrued Interest Offering Shares, or Backstop Commitment Shares under US Securities Laws, in a form acceptable to such Person and Jaguar, each acting reasonably;

"Required Majority" means a majority in number of Affected Unsecured Creditors representing at least two thirds in value of the Voting Claims of Affected Unsecured Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the Plan Resolution at the Meeting;

"Restructuring Period Claim" has the meaning given to that term in the definition of Claim;

"Rights" means the rights issued pursuant to the Shareholder Rights Plan;

"RSU Plan" means the restricted share unit plan for senior officers, employees and consultants adopted in November of 2008 by Jaguar, as amended from time to time;

"Sanction Order" means the Order of the Court sanctioning and approving this Plan pursuant to section 6(1) of the CCAA, which shall include such terms as may be necessary or appropriate to (i) give effect to this Plan, in form and substance satisfactory to the Applicant and the Majority Consenting Noteholders, each acting reasonably, and (ii) allow Jaguar to rely on the exemption from registration set forth in section 3(a)(10) of the US Securities Act;

"Section 5.1(2) Director/Officer Claim" means any Director/Officer Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any Director/Officer Claim that qualifies as a Non-Released Director/Officer Claim shall not constitute a Section 5.1(2) Director/Officer Claim for the purposes of Section 11.1(a) hereof;

"Secured Claims" means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicant (including statutory and possessory liens that create security interests) but only up to the value of such collateral, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date;

"Share Offering" means the offering by Jaguar of Offering Shares at the Subscription Price in accordance with this Plan;

"Shareholder Rights Plan" means the Shareholder Rights Plan Agreement dated May 2, 2013 between Jaguar Mining Inc. and Computershare Investor Services Inc. as Rights Agent;

"Solicitation/Election Agent" means Globic Advisors Inc., or any successor solicitation or election agent;

"Stock Option Plan" means the stock option plan of Jaguar in effect as of the Filing Date;

"Subscription Price" means \$0.7047 per Offering Share;

"Subscription Privilege" means the right of an Eligible Investor to participate in the Share Offering by electing, in accordance with the provisions of this Plan, to subscribe for and purchase from Jaguar up to its Pro Rata Share of Offering Shares under the Share Offering;

"Subscription Record Date" means the date of the Initial Order;

"Subsidiaries" means, collectively, MTL, MSOL and MCT, and **"Subsidiary"** means any one of the Subsidiaries;

"Support Agreement" means the Support Agreement made November 13, 2013 (as amended from time to time) between Jaguar, the Subsidiaries and the Noteholders party thereto, together with any consent agreements executed by other Noteholders from time to time, substantially in the form of Schedule C thereto;

"Tax" or **"Taxes"** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

"Tax Claim" means any Claim against the Applicant for any Taxes in respect of any taxation year or period;

"Transfer Agent" means Computershare Investor Services Inc.;

"Trustees" means The Bank of New York Mellon, as trustee, and BNY Trust Company of Canada, as co-trustee, under each of the Indentures;

"TSX" means Toronto Stock Exchange;

"TSXV" means TSX Venture Exchange;

"Undeliverable Distribution" has the meaning given to that term in Section 8.3;

"Unsecured Creditor Common Shares" means 14,000,000 New Common Shares;

"US Dollars" or **"US\$"** means the lawful currency of the United States of America;

"US Securities Act" means the *United States Securities Act of 1933*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute;

"US Securities Commission" means the United States Securities and Exchange Commission;

"US Securities Laws" means, collectively, the *Sarbanes-Oxley Act of 2002* ("Sarbanes-Oxley"), the US Securities Act, as amended, the *United States Securities Exchange Act of 1934*, as amended, the rules and regulations of the US Securities Commission, the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board and, as applicable, the rules of the New York Stock Exchange;

"Voting Claim" means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for purposes of voting at the Meeting, in accordance with the provisions of the Claims Procedure Order and the CCAA; and

"Voting Deadline" means 10 a.m. on the Business Day prior to the Meeting.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;
- (b) The division of this Plan into articles and sections are for convenience of reference only and do not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) The words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event

occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;

- (f) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;
- (g) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (h) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and
- (i) The word "or" is not exclusive.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, US Dollars.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

Time shall be of the essence in this Plan.

ARTICLE 2– PURPOSE AND EFFECT OF THIS PLAN

2.1 Purpose

The purpose of this Plan is to facilitate the continuation of the business of the Jaguar Group as a going concern, address certain liabilities of the Applicant, and effect a recapitalization and financing transaction on an expedited basis to provide a stronger financial foundation for the Jaguar Group going forward and additional liquidity to allow the Jaguar Group to continue to work towards its operational and financial goals from and after the Implementation Date in the expectation that all Persons with an economic interest in the Jaguar Group will derive a greater benefit from the implementation of this Plan than would otherwise result.

2.2 Effectiveness

Subject to the satisfaction, completion or waiver (to the extent permitted pursuant to Section 12.4) of the conditions precedent set out herein, this Plan will become effective in the sequence described in Section 7.4 from and after the Implementation Time and shall be binding on and enure to the benefit of the Jaguar Group, the Affected Unsecured Creditors, all Existing Equity Holders, all holders of Equity Claims, the Released Parties, the Noteholder Released Parties and all other Persons as provided for herein, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

2.3 Persons Not Affected

For greater certainty, except as provided in Sections 12.2(c) and 13.1, this Plan does not affect the holders of Excluded Claims to the extent of those Excluded Claims. Nothing in this Plan shall affect the Jaguar Group's rights and defences, both legal and equitable, with respect to any Excluded Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Excluded Claims. Nothing herein shall constitute a waiver of any right of either the Monitor or the Applicant to dispute the quantum of an Excluded Claim.

ARTICLE 3— CLASSIFICATION, VOTING CLAIMS AND RELATED MATTERS

3.1 Classes

For the purposes of considering and voting on the Plan Resolution, there shall be one class of stakeholders, consisting of Affected Unsecured Creditors (the "**Affected Creditor Class**").

3.2 Meeting

- (a) The Meeting shall be held in accordance with this Plan, the Meeting Order and any further Order in the CCAA Proceedings. Subject to the terms of any further Order in the CCAA Proceedings, the only Persons entitled to notice of, to attend or to speak at the Meeting are the Eligible Voting Creditors (or their respective duly appointed proxyholders), representatives of the Monitor, the Applicant, the Consenting Noteholders, all such parties' financial and legal advisors, the Chair (as defined in the Meeting Order), the Secretary (as defined in the Meeting Order) and the Scrutineers (as defined in the Meeting Order). Any other person may be admitted to the Meeting only by invitation of the Applicant or the Chair.
- (b) For the purposes of voting at the Meeting, each Affected Unsecured Creditor (including a Beneficial Noteholder with respect to its Noteholder's Allowed Claim) shall be entitled to one vote as a member of the Affected Creditor Class.
- (c) For the purposes of voting at the Meeting, the Voting Claim of any Beneficial Noteholder shall be deemed to be equal to its Noteholder's Allowed Claim as at the Noteholder Voting Record Date. Registered Holders of Notes, in their capacities as such, will not be entitled to vote at the Meeting.

3.3 Required Majority

In order to be approved, this Plan must receive the affirmative vote of the Required Majority of the Affected Creditor Class.

3.4 Excluded Claims

Excluded Creditors shall not be entitled to vote or (except as otherwise expressly stated in the Meeting Order) attend in respect of their Excluded Claims at any meeting to consider and approve this Plan.

3.5 Existing Equity Holders and Holders of Equity Claims

Existing Equity Holders and holders of Equity Claims shall not be entitled to attend or vote in respect of their Equity Claims at any meeting to consider and approve this Plan.

3.6 Crown Claims

All Crown Claims in respect of all amounts that were outstanding at the Filing Date shall be paid in full to the Crown within six months of the Sanction Order, as required by subsection 6(3) of the CCAA.

3.7 Payments to Employees

Immediately after the date of the Sanction Order, the Applicant will pay in full all Employee Priority Claims, if any, to its employees and former employees.

ARTICLE 4 – ELECTIONS AND SHARE OFFERING

4.1 Participation In Share Offering

- (a) Each Noteholder that is an Eligible Investor shall be entitled to participate in the Share Offering.
- (b) Pursuant to and in accordance with the Meeting Order, there shall be delivered an election form (an “**Election Form**”) to each Participant Holder of the Notes, as of the Subscription Record Date, together with instructions to deliver such Election Form (or copies thereof) to the applicable Beneficial Noteholders to the extent such Participant Holder is not also the Beneficial Noteholder of such Notes. Each Eligible Investor shall have the right, but not the obligation, to irrevocably elect to exercise its Subscription Privilege, with such subscription to be conditioned upon the implementation of this Plan and effective on the Implementation Date in accordance with Section 7.4. In order to exercise its Subscription Privilege, such Eligible Investor shall return, or cause to be returned, the duly executed Election Form (including a Rep Letter) in accordance with the Meeting Order, so that it is received by the Solicitation/Election Agent on or before the Election Deadline.
- (c) An Electing Eligible Investor that is also a Backstop Party may elect, in accordance with the Election Form, to have its Backstop Commitment reduced by the total funds that such Electing Eligible Investor deposits into escrow on or before the Electing Eligible Investor Funding Deadline in respect of Offering Shares that such Electing Eligible Investor subscribes for pursuant to the exercise of all or part of its Subscription Privilege, provided that such Backstop Commitment shall not be reduced below zero (the “**Backstop Commitment Reduction Election**”, with a Backstop Party so electing being a “**Commitment Reduction Electing Backstopper**”).
- (d) Following the issuance of the Sanction Order, but in any event by 5:00 p.m. on the tenth Business Day prior to the expected Implementation Date, Jaguar shall inform each Electing Eligible Investor of (i) the expected Implementation Date, (ii) the number of Offering Shares that, subject to compliance with the procedures described in this Plan, will be acquired by such Electing Eligible Investor on the Implementation Date pursuant

to the Subscription Privilege; and (iii) the amount of funds (in cash) required to be deposited in escrow with the Escrow Agent by such Electing Eligible Investor to purchase such Offering Shares pursuant to the Share Offering (the **"Electing Eligible Investor Funding Amount"**) by the Electing Eligible Investor Funding Deadline.

- (e) Each Electing Eligible Investor must deposit its Electing Eligible Investor Funding Amount in escrow with the Escrow Agent so that it is received by the Escrow Agent by no later than 11:00 a.m. on the seventh Business Day prior to the expected Implementation Date (the **"Electing Eligible Investor Funding Deadline"**). If an Electing Eligible Investor deposits less than the full amount of its Electing Eligible Investor Funding Amount by the Electing Eligible Investor Funding Deadline, then (i) the funds so deposited by such Electing Eligible Investor shall be returned to such Electing Eligible Investor within five Business Days following the Electing Eligible Investor Funding Deadline; and (ii) such Electing Eligible Investor shall be deemed to have ceased, as of the Electing Eligible Investor Funding Deadline, to be an Electing Eligible Investor and its subscription for Offering Shares pursuant to the Subscription Privilege and right to receive Accrued Interest Offering Shares shall be null and void.
- (f) As soon as practicable but in any event no later than 11:00 a.m. one Business Day after the Electing Eligible Investor Funding Deadline, Jaguar shall inform each Backstop Party (other than a Backstop Party in respect of whom the Backstop Agreement has been terminated) of (i) the total number of Offering Shares not validly subscribed for pursuant to the Subscription Privilege (the **"Backstopped Shares"**), (ii) the number of Backstopped Shares to be acquired by such Backstop Party pursuant to its Backstop Commitment, based upon its Pro Rata Share of the Backstopped Shares, and (iii) the amount of funds (by way of cash or a letter of credit) required to be deposited in escrow with the Escrow Agent by such party to purchase such Backstopped Shares (the **"Backstop Payment Amount"**) by the Backstop Funding Deadline.
- (g) Each Backstop Party (other than a Backstop Party in respect of whom the Backstop Agreement has been terminated) shall deliver to the Escrow Agent and the Escrow Agent shall have received, not later than 2:00 p.m. (Toronto time) on the day that is five Business Days prior to the expected Implementation Date (the **"Backstop Funding Deadline"**), either:
 - (i) cash in an amount equal to the full amount of such Backstop Party's Backstop Payment Amount; or
 - (ii) a letter of credit, in form and substance reasonably satisfactory to Jaguar, having a face amount equal to such Backstop Party's Backstop Payment Amount, and issued by a financial institution having an equity market capitalization of at least \$10,000,000,000 and a credit rating of at least A+ from Standard & Poor's or A1 from Moody's,

in each case: (1) to be held in escrow in accordance with the Escrow Agreement until all conditions to the Share Offering have been satisfied or waived in accordance with the Backstop Agreement and with irrevocable instructions to use such cash or letter of credit, as applicable, to the extent required to enable such Backstop Party to comply with its Backstop Purchase Obligation; and (2) provided for greater certainty that, if a Backstop Party (A) has exercised all or part of its Subscription Privilege and has paid its Electing Eligible Investor Funding Amount on or before the Electing Eligible Investor Funding Deadline, and (B) is a Commitment Reduction Electing Backstopper whose Backstop Commitment has been reduced to zero, such Backstop Party shall not be required to deliver cash or a letter of credit to the Escrow Agent.

- (h) An Electing Eligible Investor who complies with Section 4.1(e) (the “**Participating Eligible Investor**”) shall participate in the Share Offering and shall be deemed to have subscribed for Offering Shares in an amount equal to the Electing Eligible Investor Funding Amount deposited in escrow with the Escrow Agent by that Participating Eligible Investor in accordance with Section 4.1(e) divided by the Subscription Price (the “**Participating Eligible Investor Shares**”).
- (i) Each Funding Backstop Party shall be deemed to have subscribed for its Pro Rata Share of the Backstopped Shares.
- (j) On or prior to the Implementation Date, Jaguar shall inform: (i) each Participating Eligible Investor of the number of Accrued Interest Offering Shares to be allocated to such Participating Eligible Investor in accordance with section 5.1(b); and (ii) each Funding Backstop Party of the number of Accrued Interest Offering Shares and the number of Backstop Commitment Shares to be allocated to such Funding Backstop Party in accordance with section 5.1(b).
- (k) In the event of a Backstop Default/Termination, provided that the Backstop Agreement remains in full force and effect with respect to other Backstop Parties thereafter, Jaguar shall, in accordance with the Backstop Agreement, provide the applicable Backstop Parties, or such other parties acceptable to the Backstop Parties and Jaguar in accordance with the Backstop Agreement that will execute a Backstop Consent Agreement, with an opportunity to assume the obligations (and rights) of a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, in each case in accordance with and subject to the terms and conditions of this Plan and the Backstop Agreement. Any Assuming Backstop Party shall comply with its obligations in connection with its Assumed Backstop Commitment and shall be entitled to receive the applicable Offered Shares under this Plan in connection with such Assumed Backstop Commitment, subject to such Assuming Backstop Party having complied with its obligations under this Plan and the Backstop Agreement and such other terms and conditions under this Plan and the Backstop Agreement. For greater certainty, any Assuming Backstop Party that has complied with its obligations under this Plan and the Backstop Agreement shall constitute and be treated as a Funding Backstop Party for purposes of this Plan.

ARTICLE 5 – TREATMENT OF CLAIMS

5.1 Treatment of Noteholders

- (a) For the purposes of distributions under this Plan, the Distribution Claim of any Beneficial Noteholder shall be deemed to be equal to its Noteholder’s Allowed Claim.
- (b) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Noteholder shall and shall be deemed to irrevocably and finally exchange its Notes for the following consideration which shall and shall be deemed to be received in full and final settlement of its Notes and its Noteholder’s Allowed Claim:
 - (i) its Pro Rata Share of the Unsecured Creditor Common Shares;
 - (ii) its Pro Rata Share of the Early Consent Shares, if such Noteholder is an Early Consenting Noteholder;
 - (iii) its Pro Rata Share of Accrued Interest Offering Shares if such Noteholder is a Participating Eligible Investor and/or a Funding Backstop Party, provided that in no event shall a Participating Eligible Investor or a Funding Backstop Party

receive a greater number of Accrued Interest Offering Shares than Offering Shares (including Backstopped Shares, as applicable) received by such person. Any Accrued Interest Offering Shares remaining after the allocation of the Accrued Interest Offering Shares to Participating Eligible Investors and Funding Backstop Parties pursuant to the immediately preceding sentence shall be reallocated among those Participating Eligible Investors and/or Funding Backstop Parties who have received less Accrued Interest Offering Shares than Offering Shares (including Backstopped Shares, as applicable) on a *pro rata* basis based on Accrued Interest Claims of such Participating Eligible Investors and/or Funding Backstop Parties (calculated as at the Record Date); and

- (iv) its Pro Rata Share of the Backstop Commitment Shares, if such Noteholder is a Funding Backstop Party.
- (c) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Participating Eligible Investor shall receive its Participating Eligible Investor Shares and each Funding Backstop Party shall receive its Pro Rata Share of the Backstopped Shares.
- (d) After giving effect to the terms of this Section 5.1, the obligations of Jaguar with respect to the Notes of each Noteholder shall, and shall be deemed to, have been irrevocably and finally extinguished and each Noteholder shall have no further right, title or interest in or to the Notes or its Noteholder's Allowed Claim.

5.2 Treatment of Affected Unsecured Creditors Other Than Noteholders

- (a) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Affected Unsecured Creditor (except for a Noteholder in respect of its Noteholder's Allowed Claim, which shall be dealt with in accordance with Section 5.1) shall receive its Pro Rata Share of the Unsecured Creditor Common Shares and shall be deemed to irrevocably and finally exchange its Affected Unsecured Claim for its Pro Rata Share of the Unsecured Creditor Common Shares, which shall and shall be deemed to be received in full and final settlement of its Affected Unsecured Claim.
- (b) After giving effect to the terms of this Section 5.2, the obligations of Jaguar with respect to such Affected Unsecured Creditor's Affected Unsecured Claim shall, and shall be deemed to, have been irrevocably and finally extinguished and such Affected Unsecured Creditor shall have no further right, title or interest in or to the Affected Unsecured Claim.
- (c) With the consent of the Monitor and the Majority Backstop Parties, an Affected Unsecured Creditor with an Allowed Affected Unsecured Claim who is not a Noteholder may be entitled to participate in the Share Offering for its Pro Rata Share of the Offering Shares (calculated as if the Affected Unsecured Creditor's Allowed Affected Unsecured Claim was a Noteholder's Allowed Claim); provided that any such Affected Unsecured Creditor completes and submits an Election Form and Rep Letter on or prior to the Election Deadline and complies with all of the obligations of a Participating Eligible Investor in accordance with the terms and conditions of the Plan, including without limitation Section 4.1(e) hereof, in which case, such Affected Unsecured Creditor shall be treated as an Eligible Investor for the purpose of the Offering Shares and each Eligible Investor's Subscription Privilege will be adjusted accordingly.

5.3 Treatment of Existing Equity Holders

- (a) Each Existing Shareholder shall retain its Existing Shares subject to the Common Share Consolidation pursuant to Section 7.4(a) and in accordance with the steps and

sequences set forth herein.

- (b) Pursuant to this Plan and in accordance with the steps and sequences set forth herein, all Existing Share Options, Rights and the Shareholder Rights Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other liability, payment or compensation therefor and for greater certainty, no holders of Existing Share Options or Rights shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

5.4 Equity Claims

All Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date. Holders of Equity Claims shall not receive any consideration or distributions under this Plan and shall not be entitled to vote on this Plan at the Meeting. Notwithstanding the foregoing, Existing Shareholders shall be entitled to continue to hold their Existing Shares in accordance with the terms of this Plan, subject to the Common Share Consolidation.

5.5 Claims of the Trustees

The Trustees' claims under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture shall be unaffected by this Plan.

5.6 Application of Plan Distributions

- (a) All amounts paid or payable hereunder on account of the Noteholders Allowed Claim (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the obligations to which such Noteholders Allowed Claim relate, and (ii) second, if such principal amounts have been fully repaid, in respect of any accrued but unpaid interest on such obligations.
- (b) In the event that a Funding Backstop Party is not a Noteholder, such Funding Backstop Party shall receive its Backstop Commitment Shares as a fee.

ARTICLE 6 – MEETING

6.1 Meeting

The Meeting to consider and vote on this Plan shall be conducted in accordance with the terms of the Claims Procedure Order and the Meeting Order.

6.2 Acceptance of Plan

If this Plan is approved by the Required Majority entitled to vote at the Meeting, then this Plan shall be deemed to have been agreed to, accepted and approved by the Affected Unsecured Creditors and shall be binding upon all Affected Unsecured Creditors, if the Sanction Order is granted and the conditions described in Section 12.3 hereof have been satisfied or waived, as applicable.

ARTICLE 7 - IMPLEMENTATION

7.1 Administration Charge

On the Implementation Date, all outstanding, invoiced obligations, liabilities, fees and disbursements secured by the Administration Charge shall be fully paid by the Applicant. Upon receipt by the Monitor of confirmation from each of the beneficiaries of the Administration Charge that payments of the amounts

secured by the Administration Charge have been made, the Monitor shall file a certificate with the Court confirming same and thereafter, the Administration Charge shall be and be deemed to be discharged from the assets of the Applicant, without the need for any other formality.

7.2 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of any members of the Jaguar Group will occur and be effective as of the Implementation Date (or such other date as Jaguar and the Majority Consenting Noteholders may agree), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Jaguar Group. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Jaguar Group, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Plan shall be deemed to be effective and no such agreement shall have any force or effect.

7.3 Fractional Interests

No certificates representing fractional Common Shares shall be allocated under this Plan, and fractional share interests shall not entitle the owner thereof to vote or to any rights of a shareholder of Jaguar. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional Common Shares pursuant to this Plan shall be rounded down to the nearest whole number without compensation therefor.

7.4 Implementation Date Transactions

Commencing at the Implementation Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments and at the times set out in this Section 7.4 (or in such other manner or order or at such other time or times as Jaguar and the Majority Consenting Noteholders may agree, acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) Articles of Reorganization shall be filed under the OBCA to amend the articles of Jaguar to effect a consolidation (the "**Common Share Consolidation**") of the issued and outstanding Common Shares on the basis of one post-consolidation Common Share for each Consolidation Number of Common Shares outstanding immediately prior to the Common Share Consolidation. Any fractional interests in the consolidated Common Shares will, without any further act or formality, be cancelled without payment of any consideration therefor. Following the completion of such consolidation, the stated capital of the Common Shares shall be equal to the stated capital of the Common Shares immediately prior to consolidation.
- (b) The following shall occur concurrently:
 - (i) the Rights and the Shareholder Rights Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect;
 - (ii) any and all Existing Share Options and the Stock Option Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any

further force or effect;

- (iii) if the DSU/RSU Notice is delivered, the DSU Plan and/or the RSU Plan as set out in the DSU/RSU Notice shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect; and
 - (iv) all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any consideration or distributions therefor.
- (c) In exchange for, and in full and final settlement of, the Noteholders Allowed Claim as at the Implementation Date, Jaguar shall issue:
- (i) to each Noteholder its Pro Rata Share of Unsecured Creditor Common Shares;
 - (ii) to each Early Consenting Noteholder its Pro Rata Share of the Early Consent Shares;
 - (iii) to each Participating Eligible Investor and Funding Backstop Party the number of Accrued Interest Offering Shares such Participating Eligible Investor or Funding Backstop Party is entitled to receive in accordance with Section 5.1(b); and
 - (iv) to each Funding Backstop Party, its Pro Rata Share of the Backstop Commitment Shares,

which New Common Shares shall be distributed in the manner described in Section 8.2 hereof. Upon issuance of these New Common Shares, the Noteholders Allowed Claim shall and shall be deemed to be irrevocably and finally extinguished and such Noteholder shall have no further right, title or interest in and to the Notes or its Noteholder's Allowed Claim.

- (d) The Notes and the Indentures will not entitle any Noteholder to any compensation or participation other than as expressly provided for in this Plan and shall be cancelled and will thereupon be null and void, and the obligations of the Applicant thereunder or in any way related thereto shall be satisfied and discharged, except to the extent expressly set forth in section 6.07 of the Indentures, which section shall remain in effect until two months following the Implementation Date or such later date agreed to by the Applicant, the Monitor, the Trustees and the Majority Consenting Noteholders.
- (e) In exchange for, and in full and final settlement of, its Affected Unsecured Claim, Jaguar shall issue to each Affected Unsecured Creditor, other than the Noteholders, its Pro Rata Share of the Unsecured Creditor Common Shares;
- (f) The following shall occur concurrently:
- (i) Jaguar shall issue to each Participating Eligible Investor its Participating Eligible Investor Shares in accordance with Section 5.1(c) hereof in consideration for its Electing Eligible Investor Funding Amount, which Participating Eligible Investor Shares shall be distributed in the manner described in Section 8.2 hereof; and
 - (ii) Jaguar shall issue to each Funding Backstop Party the number of Backstopped Shares such Funding Backstop Party is entitled to receive in accordance with Section 5.1(c) hereof in consideration for such Funding Backstop Party's Backstop Payment Amount, which Backstopped Shares shall be distributed in

the manner described in Section 8.2 hereof.

- (g) The releases and injunctions referred to in Section 11 shall become effective.
- (h) The directors of Jaguar immediately prior to the Implementation Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed.
- (i) The Escrow Agent shall be deemed to be holding the Electing Eligible Investor Funding Amounts and the Backstop Payment Amounts for Jaguar and shall release from escrow such amounts to Jaguar in accordance with the Escrow Agreement.
- (j) Jaguar shall pay: (i) all of the reasonable fees and expenses of the Advisors for services rendered to the Ad Hoc Committee up to and including the Implementation Date, (ii) the reasonable accrued and unpaid third party expenses of any of the Consenting Noteholders up to an amount agreed to by the Majority Backstop Parties; (iii) the fees and expenses of Jaguar's financial advisors in connection with the transactions contemplated under this Plan pursuant to their engagement letter, as amended, with Jaguar, subject to a maximum amount agreed to by the Majority Backstop Parties, (iv) the reasonable fees and expenses of Jaguar's Canadian and U.S. legal advisors and legal advisor to the special committee of the board of directors of Jaguar, and (v) amounts owing to the Trustees under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture

ARTICLE 8 – ISSUANCE AND DISTRIBUTION OF NEW COMMON SHARES

8.1 Issuance of New Common Shares

All New Common Shares issued and outstanding as part of the implementation of this Plan shall be deemed to be issued and outstanding as fully-paid and non-assessable. The amount added to the stated capital of the Common Shares as a result of the issuance of New Common Shares in accordance with this Plan shall be equal to the fair market value of the consideration received by Jaguar for the issuance of such New Common Shares.

8.2 Delivery of New Common Shares

- (a) Jaguar shall use its commercially reasonable best efforts to cause the delivery of the New Common Shares to be distributed under this Plan no later than the second Business Day following the Implementation Date (or such other date as Jaguar and the Majority Consenting Noteholders may agree).
- (b) The Notes are held by DTC (as sole Registered Holder) through its nominee company CEDE & Co. DTC will surrender, or will cause the surrender of, the certificates, if any, representing the Notes to the Trustees in exchange for New Common Shares as contemplated in this Plan.
- (c) The delivery of Unsecured Creditor Common Shares to Noteholders in exchange for the Notes will be made through the facilities of DTC to Participant Holders who, in turn will make delivery of the Unsecured Creditor Common Shares to the Beneficial Noteholders pursuant to standing instructions and customary practices of DTC. If for any reason the New Common Shares are not DTC eligible, then the delivery of the Unsecured Creditor Common Shares shall be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each Noteholder or (ii) by delivery of a share certificate to each Noteholder, in either case based on registration instructions received by, or on behalf of, the Monitor from Participant Holders in such manner as the Monitor determines

reasonable in the circumstances.

- (d) The delivery of Early Consent Shares to Early Consenting Noteholders will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either: (i) by delivery of a Direct Registration System Advice to each Early Consenting Noteholder; or (ii) by delivery of a share certificate to each Early Consenting Noteholder, in any case based on registration and delivery instructions contained in the Rep Letter.
- (e) The delivery of Offering Shares, Backstopped Shares, Backstop Commitment Shares and Accrued Interest Offering Shares to the Participating Eligible Investors and the Funding Backstop Parties will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each Participating Eligible Investor and Funding Backstop Party or (ii) by delivery of a share certificate to each Participating Eligible Investor and Funding Backstop Party, in either case based on registration and delivery instructions contained in the Election Forms in the case of Participating Eligible Investors and in the Rep Letter in the case of Funding Backstop Parties.
- (f) The delivery of New Common Shares to Affected Unsecured Creditors (other than Noteholders) in consideration for their Affected Unsecured Claims will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each of the Affected Unsecured Creditors (other than Noteholders) or (ii) by delivery of a share certificate to each of the Affected Unsecured Creditors (other than Noteholders), in either case based on registration and delivery instructions received by the Monitor pursuant to the Claims Procedure Order and the Meeting Order.
- (g) Jaguar, the Monitor and the Trustees will have no liability or obligation in respect of all deliveries from DTC, or its nominee, to Participant Holders or from Participant Holders to Beneficial Noteholders.
- (h) Upon receipt of and in accordance with written instructions from the Monitor, the Trustees shall instruct DTC to, and DTC shall: (i) establish an escrow position representing the respective positions of the Noteholders as of the Implementation Date for the purpose of making distributions to the Noteholders on and after the Implementation Date; and (ii) block any further trading in the Notes, effective as of the close of business on the Distribution Record Date, all in accordance with the customary practices and procedures of DTC.
- (i) Unless a securities law legend is not required by US Securities Laws, the Direct Registration System Advices and share certificates delivered pursuant to this Section 8.2 shall have legends affixed thereon in substantially the form provided for in the Rep Letter.

8.3 Undeliverable Distributions

If any distribution of New Common Shares is undeliverable (that is for greater certainty that cannot be properly registered or delivered to the intended recipient because of inadequate or incorrect registration or delivery information or otherwise) (an "Undeliverable Distribution") it shall be delivered to the Escrow Agent, which shall hold such Undeliverable Distribution in escrow, and administered in accordance with this Section 8.3. No further distributions in respect of an Undeliverable Distribution shall be made unless and until the Escrow Agent is notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Escrow Agent shall make such distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is the 365th day following the Implementation Date, after which the right to receive distributions under this Plan in respect

of such an Undeliverable Distribution shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any compensation therefor, notwithstanding any federal, provincial, or state laws to the contrary, and any New Common Shares that are the subject of such Undeliverable Distribution shall be cancelled.

ARTICLE 9 – RELEASE OF FUNDS FROM ESCROW

9.1 Release of Funds from Escrow

The Escrow Agent shall release any Electing Eligible Investor Funding Amounts and Backstop Payment Amounts, or portions thereof, as follows and in accordance with the terms of the Escrow Agreement:

- (a) If an Electing Eligible Investor deposits less than the full amount of its Electing Eligible Investor Funding Amount by the Electing Eligible Investor Funding Deadline, such party shall cease to be an Electing Eligible Investor and the Escrow Agent shall return such funds so deposited by such Electing Eligible Investor to such Electing Eligible Investor in accordance with Section 4.1(e) hereof.
- (b) On the Implementation Date, the Escrow Agent shall release from escrow to Jaguar, at the applicable time, the applicable Electing Eligible Investor Funding Amounts and Backstop Payment Amounts pursuant to and in accordance with Section 7.4 hereof.
- (c) If this Plan is terminated for any reason or not implemented in accordance with the terms hereof by the Outside Date, the Escrow Agent shall as soon as practicable return all Electing Eligible Investor Funding Amounts and Backstop Payment Amounts to the applicable Participating Eligible Investors and Funding Backstop Parties.
- (d) If any Electing Eligible Investor or Funding Backstop Party provides to the Escrow Agent more than its applicable Electing Eligible Investor Funding Amount or Backstop Payment Amount under this Plan, the Escrow Agent shall as soon as practicable return any excess funds to such Electing Eligible Investor or Funding Backstop Party.

ARTICLE 10 – PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED DISTRIBUTION CLAIMS

10.1 No Distribution Pending Allowance

An Affected Unsecured Creditor holding a Disputed Distribution Claim will not be entitled to receive a distribution under the Plan in respect of such Disputed Distribution Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim.

10.2 Distributions After Disputed Distribution Claims Resolved

- (a) Distributions of Unsecured Creditor Common Shares in relation to a Disputed Distribution Claim of an Affected Unsecured Creditor will be held by the Applicant, in a segregated account constituting the Disputed Distribution Claims Reserve, for the benefit of the Affected Unsecured Creditors with Allowed Affected Unsecured Claims until the final determination of the Disputed Distribution Claim in accordance with the Claims Procedure Order and this Plan.
- (b) To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with this Plan, the Applicant shall distribute to the holder of such Allowed Affected Unsecured Claim, that number of Unsecured Creditor Common

Shares from the Disputed Distribution Claims Reserve equal to such Affected Unsecured Creditor's Pro Rata Share of Unsecured Creditor Common Shares.

- (c) On the date that all Disputed Distribution Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions contemplated in section (b) have been made, if (i) the aggregate number of Unsecured Creditor Common Shares remaining in the Disputed Distribution Claims Reserve is less than 14,000, the Applicant shall cancel those Unsecured Creditor Common Shares; or (ii) the aggregate number of Unsecured Creditor Common Shares remaining in the Disputed Distribution Claims Reserve is equal to or greater than 14,000, the Applicant shall distribute such Unsecured Creditor Common Shares to the Affected Unsecured Creditors with Allowed Affected Unsecured Claims such that after giving effect to such distributions each such Affected Unsecured Creditor has received its applicable Pro Rata Share of such Unsecured Creditor Common Shares.

ARTICLE 11– RELEASES

11.1 Release

- (a) On the Implementation Date, the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred:
- (i) all Affected Unsecured Claims;
 - (ii) all Equity Claims;
 - (iii) all Director/Officer Claims other than Continuing Other Director/Officer Claims and Non-Released Director/Officer Claims and also (for greater certainty) excluding Section 5.1(2) Director/Officer Claims; provided that any Section 5.1(2) Director/Officer Claims against any Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) Director/Officer Claims pursuant to the Insurance Policies, and any Persons with any such Section 5.1(2) Director/Officer Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar or any of its Subsidiaries), other than enforcing such Person's rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s); and
 - (iv) all Director/Officer Indemnity Claims.
- (b) On the Implementation Date, the Applicant, the Subsidiaries, and each of their respective financial advisors, legal counsel and agents, the Monitor, legal counsel to the Monitor, and legal counsel to the special committee of the board of directors of Jaguar (collectively, the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral; (ii) the business and

affairs of the Applicant or the Subsidiaries; (iii) the Notes; (iv) the Indentures; (v) the Existing Shares; (vi) the Existing Share Options; (vii) the Shareholder Rights Plan; (viii) Equity Claims; (ix) the Support Agreement; (x) the Backstop Agreement; (xi) this Plan; or (xii) the CCAA Proceedings; provided, however, that nothing in this Section 11.1 will release or discharge:

- (i) the Applicant or any of the Subsidiaries from or in respect of (x) any Excluded Claim, (y) its obligation to Affected Unsecured Creditors under this Plan or under any Order, or (z) its obligations under the Backstop Agreement or the Support Agreement;
 - (ii) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.
- (c) At the Implementation Time, each of the Noteholders, the Ad Hoc Committee, the Trustees, and each of their respective present and former shareholders, officers, directors, and the Advisors and the Trustees' counsel (collectively, the "Noteholder Released Parties") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with: (i) the Notes; (ii) the Indentures; (iii) the Existing Shares; (iv) the Existing Share Options; (v) the Shareholder Rights Plan; (vi) Equity Claims; (vii) the Support Agreement; (viii) the Backstop Agreement; (ix) this Plan; or (x) the CCAA Proceedings, and any other matters or actions related directly or indirectly to the foregoing; provided that nothing in this Section 11.1(c) will release or discharge a Noteholder Released Party in respect of their obligations under this Plan, the Backstop Agreement, the Support Agreement, any Election Form and provided further that nothing in this Section 11.1(c) will release or discharge a Noteholder Released Party if the Noteholder Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

11.2 Injunctions

All Persons (regardless of whether or not such Persons are Affected Unsecured Creditors) are permanently and forever barred, estopped, stayed and enjoined, on and after the Implementation Time, with respect to any and all Released Claims or Noteholder Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties and the Noteholder Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties and Noteholder Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or for breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person

who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties and Noteholder Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties and Noteholder Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan.

11.3 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 11 shall become effective on the Implementation Date at the time or times and in the manner set forth in Section 7.4 hereof.

11.4 Knowledge of Claims

Each Person to which Section 11.1 hereof applies shall be deemed to have granted the releases set forth in Section 11.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the time of the granting of the release.

ARTICLE 12 – COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

12.1 Application for Sanction Order

If this Plan is approved by the Required Majority, the Applicant shall apply for the Sanction Order on the date set for the hearing for the Sanction Order or such later date as the Court may set.

12.2 Sanction Order

The Sanction Order shall, among other things, declare that:

- (a) (i) this Plan has been approved by the Required Majority entitled to vote at the Meeting in conformity with the CCAA; (ii) the Applicant acted in good faith and has complied with the provisions of the CCAA and the Orders made in the CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicant has not done nor purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated by it are fair and reasonable;
- (b) this Plan (including the arrangements and releases set out herein) has been sanctioned and approved pursuant to section 6 of the CCAA and will be binding and effective as herein set out on the Applicant, all Affected Unsecured Creditors, all holders of Equity Claims and all other Persons as provided for in this Plan or in the Sanction Order;
- (c) subject to the performance by the Applicant of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, all obligations or agreements to which the Applicant is a party immediately prior to the Implementation Time, will be and shall remain in full force and effect as at the Implementation Date, unamended except as they may have been amended by agreement of the parties subsequent to the Filing Date, and no Person who is a party to any such obligations or agreements shall, following this Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make

any demand under or in respect of any such obligation or agreement, by reason of:

- (i) any defaults or events of default arising as a result of the insolvency of the Applicants prior to the Implementation Date;
- (ii) any change of control of the Applicant arising from implementation of this Plan (except in respect of existing, written senior officer and employee employment agreements of Persons who remain senior officers and employees of Jaguar as of the Implementation Date and any payments due under such agreements, which may only be waived by the senior officers and employees who are parties to such agreements);
- (iii) the fact that the Applicant has sought or obtained relief under the CCAA or that this Plan has been implemented by the Applicant;
- (iv) the effect on the Applicant of the completion of any of the transactions contemplated by this Plan;
- (v) any compromises or arrangements effected pursuant to this Plan; or
- (vi) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

For greater certainty, nothing in this paragraph 12.2(c) shall waive, compromise or discharge any obligations of the Applicant in respect of any Excluded Claim;

- (d) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgment, or other remedy or recovery as described in Section 11.2 hereof shall be permanently enjoined;
- (e) the releases effected by this Plan shall be approved, and declared to be binding and effective as of the Implementation Date upon all Affected Unsecured Creditors, holders of Equity Claims, the Monitor and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;
- (f) from and after the Implementation Date, all Persons with an Affected Unsecured Claim shall be deemed to (i) have consented and agreed to all of the provisions of this Plan as an entirety; and (ii) each Affected Unsecured Creditor shall be deemed to have granted, and executed and delivered to the Applicant all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

12.3 Conditions to Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 12.4 hereof) of the following conditions:

- (a) The Court shall have granted the Sanction Order, the operation and effect of which shall not have been stayed, reversed or amended, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;
- (b) No Applicable Law shall have been passed and become effective, the effect of which

makes the consummation of this Plan illegal or otherwise prohibited;

- (c) All necessary judicial consents and any other necessary or desirable third party consents, if any, to deliver and implement all matters related to this Plan shall have been obtained;
- (d) All documents necessary to give effect to all material provisions of this Plan (including the Sanction Order, this Plan, the Share Offering and the Common Share Consolidation and all documents related thereto) shall have been executed and/or delivered by all relevant Persons in form and substance satisfactory to the Applicant and the Majority Consenting Noteholders;
- (e) All required stakeholder, regulatory and Court approvals, consents, waivers and filings shall have been obtained or made, as applicable, on terms satisfactory to the Majority Consenting Noteholders and the Company, each acting reasonably and in good faith;
- (f) All senior officer and employee employment agreements shall have been modified to reflect the revised capital structure of Jaguar following implementation of the Plan, including, without limitation, to provide that the implementation of the Plan does not constitute a change of control under such employment agreements, and no change of control payments shall be owing or payable to Jaguar's officers or employees in connection with the implementation of the Plan;
- (g) The DSU Plan and the RSU Plan shall have been addressed in a manner acceptable to Jaguar and the Majority Consenting Noteholders;
- (h) The Articles of Reorganization shall have been filed under the OBCA;
- (i) All material filings under applicable Laws shall have been made and any material regulatory consents or approvals that are required in connection with this Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (j) The New Common Shares shall have been conditionally approved for listing on the TSX, the TSXV or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders without any vote or approval of the Existing Shareholders, subject only to receipt of customary final documentation;
- (k) All conditions to implementation of this Plan set out in the Support Agreement shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated;
- (l) All conditions to implementation of this Plan set out in the Backstop Agreement shall have been satisfied or waived in accordance with their terms, and the Backstop Agreement shall not have been terminated; and
- (m) The issuance of the Unsecured Creditor Common Shares and Early Consent Shares shall be exempt from registration under the US Securities Act pursuant to the provisions of section 3(a)(10) of the US Securities Act.

12.4 Waiver of Conditions

The Applicant and the Majority Consenting Noteholders may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree to provided however that the conditions set out in Section 12.3(a) cannot be waived and that the conditions set out in Section 12.3(l) can only be waived by the Applicant

and the Majority Backstop Parties.

12.5 Implementation Provisions

If the conditions contained in Section 12.3 are not satisfied or waived (to the extent permitted under Section 12.4) by the Outside Date, unless the Applicant and the Majority Consenting Noteholders agree in writing to extend such period, this Plan and the Sanction Order shall cease to have any further force or effect and will not be binding on any Person.

12.6 Monitor's Certificate of Plan Implementation

Upon written notice from the Applicants (or counsel on their behalf) to the Monitor that the conditions to Plan implementation set out in Section 12.3, have been satisfied or waived, the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Applicants, and file with the Court, a certificate which states that all conditions precedent set out in Section 12.3 have been satisfied or waived and that the Implementation Date has occurred.

ARTICLE 13 – GENERAL

13.1 Waiver of Defaults

Subject to the performance by the Applicant of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, no Person who is a party to any obligations or agreements with the Applicant or any Subsidiary shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:

- (a) any defaults or events of default arising as a result of the insolvency of the Applicant prior to the Implementation Date;
- (b) any change of control of the Applicant or any Subsidiary arising from implementation of this Plan (except in respect of existing, written senior officer and employee employment agreements of Persons who remain senior officers and employees of Jaguar as of the Implementation Date and any payments due under such agreements, which may only be waived by the senior officers and employees who are parties to such agreements);
- (c) the fact that the Applicant has sought or obtained relief under the CCAA or that this Plan has been implemented by the Applicant;
- (d) the effect on the Applicant or any Subsidiary of the completion of any of the transactions contemplated by this Plan;
- (e) any compromises or arrangements effected pursuant to this Plan; or
- (f) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

For greater certainty, nothing in this paragraph 13.1 shall waive, compromise or discharge any obligations of the Applicant in respect of any Excluded Claim.

13.2 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

13.3 Non-Consummation

The Applicant reserves the right to revoke or withdraw this Plan at any time prior to the Implementation Date, with the consent of the Monitor and the Majority Consenting Noteholders.

If the Implementation Date does not occur on or before the Outside Date (as the same may be extended in accordance with the terms hereof and of the Support Agreement), or if this Plan is otherwise withdrawn in accordance with its terms: (a) this Plan shall be null and void in all respects, and (b) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Jaguar Group, their respective successors or any other Person; (ii) prejudice in any manner the rights of the Jaguar Group, their respective successors or any other Person in any further proceedings involving the Jaguar Group or their respective successors; or (iii) constitute an admission of any sort by the Jaguar Group, their respective successors or any other Person.

13.4 Modification of Plan

- (a) The Applicant may, at any time and from time to time, amend, restate, modify and/or supplement this Plan with the consent of the Monitor and the Majority Consenting Noteholders, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:
 - (i) if made prior to or at the Meeting: (A) the Monitor, the Applicant or the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Unsecured Creditors and other Persons present at the Meeting prior to any vote being taken at the Meeting; (B) the Applicant shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and
 - (ii) if made following the Meeting: (A) the Applicant shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Affected Unsecured Creditors.
- (b) Notwithstanding Section 13.4(a) hereof, any amendment, restatement, modification or supplement may be made by the Applicant: (i) if prior to the date of the Sanction Order, with the consent of the Monitor and the Majority Consenting Noteholders; and (ii) if after the date of the Sanction Order, with the consent of the Monitor and the Majority Consenting Noteholders and upon approval by the Court, provided in each case that it concerns a matter that, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Unsecured Creditors.

- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

13.5 Severability of Plan Provisions

If, prior to the Implementation Time, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, at the request of the Applicant, made with the consent of the Majority Consenting Noteholders (acting reasonably), the Court shall have the power to either (a) sever such term or provision from the balance of this Plan and provide the Applicant and the Majority Consenting Noteholders with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Implementation Time, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted, provided that the Majority Consenting Noteholders have approved such alteration or interpretation, acting reasonably. Notwithstanding any such holding, alteration or interpretation, and provided that this Plan is implemented, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

13.6 Preservation of Rights of Action

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, following the Implementation Date, the Applicant will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Applicant may hold against any Person or entity without further approval of the Court.

13.7 Responsibilities of Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and this Plan with respect to the Applicant and will not be responsible or liable for any obligations of the Applicant.

13.8 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by facsimile addressed to the respective Parties as follows:

If to Jaguar or the Subsidiaries, at:

- (a) c/o Jaguar Mining Inc.
67 Yonge Street, Suite 1203
Toronto, Ontario M5E 1J8
- Attention: David Petroff
Email: david.petroff@jaguarmining.com

with a required copy (which shall not be deemed notice) to:

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street P.O. Box 84
Toronto, Ontario M5J 2Z4

Attention: Walied Soliman and Evan Cobb
Fax: (416) 216-3930
Email: walied.soliman@nortonrosefulbright.com
evan.cobb@nortonrosefulbright.com

(b) If to the Ad Hoc Committee of Noteholders:

Goodmans LLP
Suite 3400
333 Bay Street
Bay Adelaide Centre
Toronto, Ontario M5H 2S7

Attention: Rob Chadwick and Melaney Wagner
Fax: (416) 979-1234
Email: rchadwick@goodmans.ca
mwagner@goodmans.ca

(c) If to the Monitor, at:

FTI Consulting Canada Inc.
TD Waterhouse Tower
Suite 2010
79 Wellington Street
Toronto, Ontario M5K 1G8

Attention: Greg Watson and Jodi Porepa
Fax: (416) 649-8101
Email: Greg.Watson@fticonsulting.com
Jodi.Porepa@fticonsulting.com

With a required copy (which shall not be deemed notice) to:

Osier, Hoskin & Harcourt LLP
Box 50
1 First Canadian Place
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman
Fax: (416) 862-6666
Email: mwasserman@osler.com

or to such other address as any Party may from time to time notify the others in accordance with this Section 13.8. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or emailing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and

made and to have been received on the next following Business Day.

13.9 Consent of Majority Consenting Noteholders or Majority Backstop Parties

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Majority Consenting Noteholders or the Majority Backstop Parties shall be deemed to have been agreed to, waived, consented to or approved by such Majority Consenting Noteholders or Majority Backstop Parties if such matter is agreed to, waived, consented to or approved in writing by Goodmans LLP, provided that Goodmans LLP expressly confirms in writing (which can be by way of e-mail) that it is providing such agreement, consent, waiver or approval on behalf of the Majority Consenting Noteholders or the Majority Backstop Parties, as applicable.

13.10 Paramountcy

From and after the Implementation Time on the Implementation Date, any conflict between:

- (a) this Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Applicant and/or the Subsidiaries as at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

13.11 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

Appendix "F"



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM
JUSTICE THORBURN

) TUESDAY, THE 14th
)
) DAY OF JANUARY, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF JAGUAR MINING INC.

Applicant

**ORDER
(Stay Extension)**

THIS MOTION, made by the Applicant for an order, *inter alia*:

- (a) that the time for service of the Notice of Motion, Motion Record and the First Report of the Monitor, FTI Consulting Canada Inc., (the "Monitor") dated January 13, 2014 (the "First Report") is abridged and validated so that this Motion is properly returnable today and dispensing with further service thereof;
- (b) approving an extension of the Stay Period, as defined in paragraph 14 of the Initial Order, issued by this Court on December 23, 2013, (the "Initial Order") to and including February 28, 2014; and
- (c) amending the Initial Order as provided herein to adopt the E-Service Protocol established by the Commercial List,

was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the Affidavit of T. Douglas Willock, sworn January 8, 2014, the exhibits thereto, (the "Willock Affidavit") and the First Report, and on hearing submissions of counsel for the Applicant, the Monitor, the Ad Hoc Committee of Noteholders (as defined in the Willock Affidavit), ~~Global Resource Fund~~, and such other counsel present, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn on January 10, 2014,

Service

Daniel Titcomb et al. and the Special Committee of the Board of Directors,

1. THIS COURT ORDERS that the time for service of the Notice of Motion, Motion Record and First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

Stay Extension

2. THIS COURT ORDERS that the Stay Period, as defined in paragraph 14 of the Initial Order, be and is hereby extended up to and including February 28, 2014.

E-Service Protocol

3. THIS COURT ORDERS that the Initial Order shall be amended to remove paragraphs 45 and 46 thereof, and replace them with the following new paragraphs:

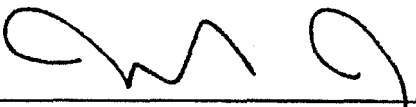
45. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/sci/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://cfcanada.fticonsulting.com/jaguar>'.

46. THIS COURT ORDERS that if service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their

respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

General

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Brazil or elsewhere to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.



Thurston

ENTRENEE AU / REGISTRÉ À TORONTO
ON / REGISTRE NO:
LE / DANS LE REGISTRE NO.:

JAN 14 2014
NS

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

Court File No: CV-13-10383-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF JAGUAR MINING INC.

(Applicant)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LSUC#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant, Jaguar Mining Inc.

Appendix "G"

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF JAGUAR MINING INC.

Applicant

Jan 14/14

T. Reyes for Jaguar
M. Sletten
R. Schild for spec. Com. of
M.
M. Weyan for Ad. Hdr.
Com. or Noteholders

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD

On the consent of all parties, Order to go as per the
draft Order filed by me.
This order is signed on the understanding that the
New Hampshire Claims can't be compromised by the plan
or release unless the plan and is without prejudice to the
claimants' right to bring a motion to lift the stay.
At Mr. Sletten's request I will remain seized of this
matter, should he choose to bring his motion to lift the stay.
The recap order granted by
Mr. Reyes regarding the
confidential exhibits is to be
continued.

Mr. Sletten's motion

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Tony Reyes LS#: 28218V
Tel: 416.216.4825
Email: tony.reyes@nortonrosefulbright.com

Evan Cobb LS#: 55787N
Tel: 416.216.1929
Email: evan.cobb@nortonrosefulbright.com

Fax: 416.216.3930

Lawyers for the Applicant,
Jaguar Mining Inc.

Appendix "H"

Jaguar Mining Inc.
8 Week Cash Flow Forecast
CAD \$000

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Total
Week Ending	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	21-Feb	28-Feb	8 week Total
Cash Inflow									
Other	-	-	1,350	-	-	-	-	-	1,350
Total Cash Inflow	-	-	1,350	-	-	-	-	-	1,350
Cash Outflow									
Payroll & Benefits	-	(65)	-	(85)	-	(65)	-	(85)	(300)
Board & Committee Fees	(15)	(31)	-	(31)	-	(31)	-	(31)	(139)
Rent, Communications & Utilities	(1)	(7)	-	(9)	-	(7)	-	(9)	(33)
Interest Fees	-	-	-	(280)	-	-	-	(253)	(533)
Legal & Professional Fees	(9)	(96)	-	(60)	-	(96)	-	(60)	(321)
Other	(55)	(5)	-	(4)	(3)	(6)	-	(3)	(75)
Total Cash Outflow	(80)	(203)	-	(469)	(3)	(204)	-	(442)	(1,401)
Restructuring Costs									
Legal & Professional Fees	(179)	(570)	(570)	(538)	(432)	(302)	(302)	(303)	(3,195)
Total Restructuring Fees	(179)	(570)	(570)	(538)	(432)	(302)	(302)	(303)	(3,195)
Net Cash Flow	(259)	(773)	781	(1,007)	(435)	(506)	(302)	(744)	(3,246)
Opening Cash Balance	3,397	3,138	2,365	3,145	2,139	1,704	1,198	896	3,397
Net Cash Flow	(259)	(773)	781	(1,007)	(435)	(506)	(302)	(744)	(3,246)
Ending Cash Balance	3,138	2,365	3,145	2,139	1,704	1,198	896	151	151

- 1 The purpose of this Cash Flow Forecast is to determine the liquidity requirements for Jaguar Mining Inc. during the CCAA Proceedings.
- 2 Receipts have been forecast based on expected proceeds.
- 3 Disbursements are forecast based on historical analysis and estimates from service providers.
- 4 Estimated Restructuring costs are based on projected costs associated with legal and professional fees relating to the CCAA Proceedings.
- 5 This Cash Flow Forecast assumes that the Meeting Order and Claims Procedure Order are granted on the date of the Initial Order and that the Plan is approved on the expedited timeline proposed by the Claims Procedure Order and the Meeting Order.

THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED

Court File No: CV-13-10383-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
JAGUAR MINING INC. (the "Applicant")

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

SECOND REPORT OF THE MONITOR

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50, 100 King Street West
1 First Canadian Place
Toronto, Ontario M5X 1B8

Marc Wasserman (LSUC#: 44066M)

Tel: 416.862.4908

Email: mwasserman@osler.com

Jeremy Dacks (LSUC#: 41851R)

Tel: 416.862.4923

Email: jdacks@osler.com

Michael De Lellis (LSUC#:48038U)

Tel: 416.862.5997

Fax: 416.862.6666

Lawyers for the Monitor, FTI Consulting Canada Inc.