

**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.

Applicant

**MOTION RECORD
(Re: Plan Sanction Order)
(returnable February 6, 2014)**

February 2, 2014

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Jaguar Mining Inc.

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TAB 1

**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.

Applicant

**NOTICE OF MOTION
(motion seeking a Sanction Order)
(returnable: February 6, 2014)**

JAGUAR MINING INC. ("**Applicant**") will make a motion to a judge presiding over the Commercial List on Thursday, February 6, 2014, at 10:00 am, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order in the form of a draft sanction order included in the Applicant's Motion Record, and
2. such other relief as counsel for the Applicant may request and this Court deems fit.

3. **THE GROUNDS FOR THE MOTION ARE:**

- (a) the Applicant has complied in all respects with the notice and service requirements contained in the Orders of this Court made on December 23, 2013, including the Initial Order, the Meeting Order and the Claims Procedure Order each made on that date;

- (b) the Plan of Compromise and Arrangement dated December 23, 2013, as filed with the Court on that date, has been amended and restated on January 31, 2014 to (among other things) include a framework that could facilitate the implementation of a potential resolution of certain claims;
- (c) the Plan of Compromise and Arrangement (as amended and restated, the "**Plan**") was supported by 100% of the Affected Unsecured Creditors who voted at a creditors' meeting on January 31, 2014;
- (d) the Plan is necessary to ensure the survival of the Applicant and its business, and offers the best alternative available to the Applicant and to its stakeholders with a financial interest;
- (e) the Applicant believes that the terms of the Plan are fair and reasonable in the circumstances, and the Monitor has stated that it also believes that the Plan is fair and reasonable in the circumstances;
- (f) the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended; with particular reference to section 6 thereof; and
- (g) such further and other grounds as counsel for the Applicant may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Affidavit of David M. Petroff, the Chief Executive Officer of Jaguar Mining Inc., sworn on December 23, 2013, including the exhibits thereto;
- (b) the Affidavit of T. Douglas Willock, the Chief Financial Officer of Jaguar Mining Inc., sworn on February 2, 2014, including the exhibits thereto;
- (c) the Second Report of the Monitor dated January 24, 2014;
- (d) the Third Report of the Monitor, to be filed; and

- (e) such further and other material as counsel for the Applicant may advise and this Court may permit.

February 2, 2014

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Lawyers for the Applicant, Jaguar Mining Inc.

TO THE ATTACHED SERVICE LIST

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

**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.

Applicant

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(as at January 15, 2014)

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

**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.

Applicant

**Email Address List
(as at January 15, 2014)**

As required by Section 36 of the Commercial List E-Service Protocol, attached below is the Address List which may be copied and pasted into emails when serving Court Documents (as defined in the Protocol).

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

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JAGUAR MINING INC.

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

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

Proceeding commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Applicant,
Jaguar Mining Inc.

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE COMPANIES' CREDITORS
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**AFFIDAVIT OF T. DOUGLAS WILLOCK
(sworn February 2, 2014)**

I, **T. DOUGLAS WILLOCK**, of the City of Toronto, MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Jaguar Mining Inc. ("**Jaguar**" or the "**Applicant**"). I have held that position since January 10, 2013. As such, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. In preparing this affidavit I have also consulted, where necessary, with other members of Jaguar's management team or the management teams of its wholly-owned subsidiaries (together with Jaguar, the "**Jaguar Group**"). Where I have relied upon other sources of information, I have stated the source of that information and believe such information to be true.

2. I swear this affidavit in support of a motion by Jaguar for an Order (the "**Sanction Order**") sanctioning Jaguar's plan of compromise and arrangement dated

December 23, 2013 (as amended and restated on January 31, 2014, and as may be further amended, restated, modified or supplemented in accordance with its terms (the "**Plan**")) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). This affidavit supplements and updates information contained in: (i) the Affidavit of David M. Petroff, sworn December 23, 2013, filed in support of Jaguar's initial application in these proceedings (the "**Initial Petroff Affidavit**", a copy of which, without exhibits, is attached as Exhibit "A" hereto), and the reports filed by FTI Consulting Canada Inc. in its capacity as the monitor appointed in respect of these proceedings (the "**Monitor**").

3. Capitalized terms used but not otherwise defined herein have the meanings given to them in the Plan.

4. Jaguar believes that the Plan is the best available alternative in the circumstances and that its implementation on an expedited basis is vital to Jaguar and its stakeholders. Unless the Plan is implemented on an expedited timeline, liquidation would appear to be the likely remaining alternative, which would be detrimental to all stakeholders.

5. The Plan and the relief sought under the Sanction Order are supported by the Ad Hoc Committee of Noteholders, representing over 80% of the Affected Creditor Class, and the Monitor. The Plan received the support of 100% of the Affected Unsecured Creditors voting at the Meeting.

6. References to "\$" or "dollars" herein are to U.S. dollars, for ease of reference. The revenues of the Jaguar Group are in U.S. dollars and Brazilian reais. The

expenditures of the Jaguar Group are in U.S. dollars, Brazilian reais, and Canadian dollars.

I. BACKGROUND

7. As stated in the Initial Petroff Affidavit, the principal objective of these proceedings is to effect a recapitalization and financing transaction (the “**Recapitalization**”) 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. In particular, the Recapitalization would result in a reduction of over \$268 million of debt and new liquidity upon exit of approximately \$50 million.

8. Jaguar must continue moving forward with the Recapitalization as efficiently and expeditiously as possible due to an imminent liquidity crisis.

II. JAGUAR’S CASH POSITION

9. As noted in the Initial Petroff Affidavit, the Jaguar Group has immediate needs for additional funds. The cash available to the Jaguar Group is not sufficient to cover its costs for any material length of time beyond February 2014 at current gold prices. This is consistent with cash flow forecasts filed at the time of Jaguar’s initial application on December 23, 2013, and actual expenditures of Jaguar have not differed significantly from those cash flow forecasts, except with respect to certain timing issues relating to receipt of professional accounts.

10. In its Second Report to the Court dated January 24, 2014 (the “**Monitor’s Second Report**”), the Monitor commented on Jaguar’s actual receipts and

disbursements as well as its prior cash flow forecasts. In this report, the Monitor noted that certain variances existed when the actual net cash flow for the period from January 4, 2014 to January 17, 2014 was compared against the underlying cash flow forecast, but that such variances were primarily attributed to certain timing issues related to the receipt of professional accounts. Assuming the Plan is implemented on the timeline proposed, Jaguar's liquidity requirements through to the proposed implementation of the Plan are expected to be met by existing cash available to Jaguar.

11. Jaguar is the public parent corporation of other corporations in the Jaguar Group that carry on active gold mining and exploration in Brazil. I am in regular contact with the senior management of those corporations, and can confirm that no significant additional cash resources are available to provide further funding from the subsidiary level at current gold prices.

III. CLAIMS PROCEDURE

12. I am advised by the Monitor that, aside from the claims in respect of the Notes, the Monitor received 14 proofs of claim at or before 5:00 p.m. on January 22, 2014, being the claims bar date established by the Claims Procedure Order.

13. I am advised by the Monitor that, in aggregate, those claims were less than \$1,000,000.

14. I am further advised by the Monitor that the Monitor has responded to claimants who submitted proofs of claim in accordance with the Claims Procedure Order.

V. CREDITORS' MEETING AND SANCTION HEARING

15. To the best of my knowledge, Jaguar and the Monitor have complied with all of the notification and service requirements contained in the Initial Order, the Meeting Order and the Claims Procedure Order. In the Monitor's Second Report, the Monitor has also noted (at paragraph 19) that nothing has come to its attention that would suggest that Jaguar has not been in compliance with those Orders and/or the CCAA generally.

16. The meeting of Affected Unsecured Creditors, initially scheduled for January 28, 2014, was postponed to January 31, 2014. In accordance with paragraph 46 of the Meeting Order dated December 23, 2013 (the "**Meeting Order**"), the Monitor provided notice to the Applicant that the Monitor, in consultation with the Applicant and the Majority Consenting Noteholders, decided to postpone the Meeting to Friday, January 31, 2014 at 10:00 a.m. Jaguar issued a press release on January 24, 2014 announcing the January 31, 2014 date for the Meeting and the corresponding extended voting and election deadlines. In accordance with the Meeting Order, the Monitor also provided written notice of the postponement of the Meeting and extension of the corresponding voting and election deadlines on January 25, 2014 by way of email to the service list, and the Monitor updated the Monitor's website and posted a copy of the press release issued by Jaguar in this regard.

17. The Monitor adjourned the Meeting on Friday January 31, 2014 at 10:00 a.m., initially to 2:00 p.m., and then subsequently to 4:00 p.m. to allow discussions regarding the Plan to continue. The Monitor provided notice of these adjournments by email to the Service List.

18. The Meeting Order contemplated (in paragraph 54) that the motion seeking the Sanction Order would be brought on January 30, 2014, or as soon thereafter as the matter can be heard. The hearing date was set for February 3, 2014 rather than the original date anticipated (January 30, 2014) due to the lack of available court time on January 30, 2014, or on January 31, 2014. Notice that the hearing date for the Sanction Order would be February 3, 2014 was included in the Monitor's Second Report and also given by the Monitor by way of e-mail to the service list on January 27, 2014. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, that the motion seeking the Sanction Order is now expected to be heard on February 6, 2014.

19. Jaguar instructed its counsel, Norton Rose Fulbright Canada LLP, to ensure that a representative was present at the places and times initially proposed for the Meeting and the hearing of the motion seeking the Sanction Order so that such representative could personally meet anyone that might possibly attend at those times, and advise them of the revised dates and times. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP that no one attended at the location of the Meeting or the hearing for the Sanction Order at the initially proposed times.

VI. AMENDMENTS TO THE PLAN

20. Jaguar has prepared a supplement (the "**Plan Supplement**") to the Plan of Compromise and Arrangement dated December 23, 2013 (the "**Plan as Originally Filed**") that was included in the Initial Petroff Affidavit, filed with this Court, and provided to Affected Unsecured Creditors in accordance with the Meeting Order. A copy of the Plan Supplement is attached hereto as Exhibit "B".

21. The Plan Supplement includes an amended and restated version of the Plan, which replaces the Plan as Originally Filed, and supplements the Plan and the Information Package with, among other things: (A) a draft copy of the Articles of Reorganization, (B) the form of Monitor's certificate to be delivered pursuant to Section 12.6 of the Plan, (C) a summary of the escrow arrangements established to administer the Disputed Distribution Claims Reserve; (D) a summary of the escrow arrangements established with the Escrow Agent; and (E) a draft of the proposed Sanction Order.

22. Amendments to the Plan include the addition to the definition of "Excluded Claims" under the Plan of (a) claims against the Applicant or its Directors or Officers as may be agreed upon by the Applicant and the Majority Consenting Noteholders (the "**Agreed Excluded Litigation Claims**"); and (b) a claim that Canada Revenue Agency filed under the Claims Procedure Order relating to certain limited GST/HST amounts that Canada Revenue Agency currently asserts are unpaid and held in trust by Jaguar pending payment. Under the amendments to the Plan, recovery in respect of the Agreed Excluded Litigation Claims (if any such claims are identified and agreed to between Jaguar and the Majority Consenting Noteholders) are limited solely to proceeds from applicable insurance policies and the holders of such Agreed Excluded Litigation Claims shall have no right to seek or obtain recovery on such claims from any other Persons, including the Applicant, the Subsidiaries, or any Directors or Officers.

23. Further, under the Plan as Originally Filed, recovery in respect of Section 5.1(2) Directors/Officer Claims against the Named Directors and Officers were directed to proceeds from applicable insurance policies. The amendments to the Plan direct recovery in respect of Section 5.1(2) Director/Officer Claims against any Director or Officer to proceeds from applicable insurance policies.

24. The amendments to the Plan provide that nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured, or of any insurer under any insurance policy, in respect of an Agreed Excluded Litigation Claim or a Section 5.1(2) Director/Officer Claim.

25. Other changes to the Plan are of an administrative nature required to better give effect to the implementation of the Plan and/or to cure any errors, omissions or ambiguities and are not materially adverse to the financial or economic interests of the Affected Unsecured Creditors under the Plan.

26. The amended and restated version of the Plan was provided to the Monitor for: (i) distribution in accordance with paragraph 9 of the Meeting Order at the Meeting; (ii) communication to Affected Unsecured Creditors at the Meeting on January 31, 2014; and (iii) posting on the Monitor's website. I am advised by Norton Rose Fulbright Canada LLP that the Plan Supplement will also be sent to the service list and filed with the Court.

VII. 2012 Litigation

27. As described in the Initial Petroff Affidavit, litigation was commenced on March 27, 2012 by Daniel Titcomb, the former chief executive officer of Jaguar, and certain other associated parties (the "**2012 Litigation Plaintiffs**"), which lawsuit is currently proceeding in the United States Federal Court. This lawsuit primarily alleges claims in respect of the equity interests of the 2012 Litigation Plaintiffs in Jaguar and also alleges certain claims related to the previous employment of Mr. Titcomb at Jaguar.

28. The 2012 Litigation Plaintiffs did not file a proof of claim prior to the claims bar date established by the Claims Procedure Order.

29. As previously indicated in the Initial Petroff Affidavit, Jaguar and its Board of Directors believe this lawsuit to be without merit. However, the lawsuit has been a continuing distraction for Jaguar and its Board of Directors, including those current directors who are defendants in this lawsuit despite having had no involvement with the board or management of Jaguar during the time period to which the lawsuit relates. Jaguar believes that it is important to resolve the distraction created by these legacy issues as part of this CCAA process.

30. At the comeback hearing in these proceedings on January 14, 2014, the 2012 Litigation Plaintiffs reserved their rights to argue that the claims of the 2012 Litigation Plaintiffs cannot be compromised by the Plan. Jaguar disagrees with any argument that the claims of the 2012 Litigation Plaintiffs (which claims are primarily in respect of equity interests) cannot be compromised by the Plan and believes that such claims are not valid or proper claims against Jaguar. The matter has not been resolved at this time.

29. The amended and restated Plan includes a framework that could facilitate the implementation of a potential resolution of this matter under the Plan, if the Applicant and the Majority Consenting Noteholders agree to any such resolution. Otherwise, the Applicant would take the position that the claims of the 2012 Litigation Plaintiffs are Equity Claims, irrevocably compromised, released and barred under the Plan, or otherwise not valid or proper claims against Jaguar.

VIII. RESULTS OF THE MEETING

31. The vote on the amended and restated Plan, as presented at the Meeting, was approved by 100% of the Affected Unsecured Creditors that voted, in person or by

proxy. The aggregate dollar value of claims voted at the meeting was in excess of \$225 million, representing over 80% of the Affected Creditor Class.

IX. REQUEST FOR COURT APPROVAL OF THE PLAN

32. Jaguar cannot sustain and service its current high levels of debt and continues to face an imminent liquidity crisis. Absent the approval of a transaction such as the Plan and expedited implementation, Jaguar will not have sufficient liquidity to continue operations and liquidation would appear to be the likely remaining alternative, with holders of Notes experiencing a significant shortfall in the amounts owed to them. A liquidation would be detrimental to all stakeholders with an economic interest in Jaguar or the Jaguar Group as a whole, including the hundreds of employees of the Jaguar Group.

33. The Plan is described in detail in the Initial Petroff Affidavit and the Monitor's Second Report. In general terms, the Plan provides for:

- (a) the conversion of approximately \$268.5 million of Notes, as well as certain other proven unsecured claims, into equity;
- (b) a reduction of pro-forma funded debt from \$323 million as at September 30, 2013 to \$54 million upon the implementation of the Plan;
- (c) a reduction of projected annual cash interest payments by \$13.1 million;
- (d) an investment of approximately \$50 million in new equity raised by way of a backstopped share offering, the proceeds of which will be available for use in Jaguar's operations;
- (e) the retention of Existing Shares by Existing Shareholders, which will account for 0.9% of the common shares of Jaguar upon completion of the Share Offering; and

- (f) the cancellation of all other equity interests and equity claims (as such terms are defined in the CCAA) for no consideration.

34. Jaguar continues to believe that the Plan is the best way to reduce Jaguar's debt levels, increase liquidity for the Jaguar Group's operations and allow the Jaguar Group to make certain necessary capital investments and accelerate operational improvements.

35. The Plan also provides for certain releases and injunctions in favour of the Released Parties (which include the Applicant, the Subsidiaries, the Monitor and their advisors and certain associated parties), the Named Directors and Officers (which include the current directors and officers of Jaguar and such other directors and officers as agreed to by the Majority Consenting Noteholders prior to the Meeting); and the Noteholder Released Parties (which include the Noteholders, the Trustees and their advisors and certain associated parties), subject to carve outs for, among other things, fraud, wilful misconduct, and claims that cannot be compromised under Section 5.1(2) of the CCAA.

36. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP that on January 31, 2014, prior to the Meeting, an email was received from counsel to the Majority Consenting Noteholders confirming agreement that the Named Directors and Officers are: the current and former directors and officers of Jaguar except any current or former directors or officers of Jaguar who are plaintiffs in the United States District Court for the District of New Hampshire Civil Action No.: 1:13-cv-00428-JL or who have commenced any proceedings against Jaguar or any of its affiliates.

37. The releases and injunctions in the Plan were negotiated as part of the overall framework of compromises in the Plan and Jaguar believes the releases and injunctions

in favour of the released parties are necessary and facilitate the successful completion of the Plan and the Recapitalization.

38. Jaguar believes that the releases contained in the Plan are all rationally connected to the Plan, given, among other things, the Subsidiaries are the operating entities of the Jaguar Group and are the entities in which most of the Jaguar Group's value resides; directors and officers have overseen the Applicant's strategic review process and provided guidance and stability throughout the restructuring process; the advisors have been retained in a role specifically to assist with the development and implementation of the Plan, which could not be successfully achieved without these parties; and the Noteholders have agreed to compromise their claims and contributed to the development and supported the Recapitalization and the Plan.

39. As discussed in the Initial Petroff Affidavit and the Monitor's Second Report, Jaguar has, with the assistance of its advisors, considered numerous strategic alternatives. The efforts of Jaguar and its advisors have shown that a comprehensive restructuring plan involving a debt for equity exchange and an investment of new money is the best available alternative.

40. Implementation of the Plan will allow Jaguar to address its current financial issues and to work towards its operational and financial goals for the benefit of its stakeholders.

41. Jaguar believes the Plan is fair and reasonable to affected parties and that the approval of the Plan by the Court is justified and appropriate.

X. CONCLUSION

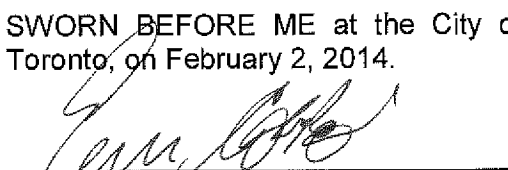
42. Throughout the course of the CCAA proceeding, Jaguar has acted in good faith and with due diligence. The Company has complied with the requirements of the CCAA and the Orders of this Court. Jaguar has achieved strong support for the Recapitalization and Plan.

43. Jaguar and its board of directors believe that the Plan is the best available alternative in the circumstances following the consideration of available alternatives. Absent the Plan, liquidation would appear to be the likely remaining alternative, which would be detrimental to all stakeholders. The implementation of the Plan on an expedited basis is vital to Jaguar and its stakeholders.

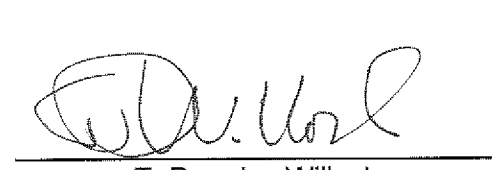
44. I understand that the Plan and the relief sought under the Sanction Order are supported by the Ad Hoc Committee of Noteholders, representing over 80% of the Affected Creditor Class, and the Monitor. The Plan was approved at the Meeting by all Affected Unsecured Creditors who voted.

45. Accordingly, Jaguar respectfully requests that this Court approve the Plan and grant the Sanction Order.

SWORN BEFORE ME at the City of
Toronto, on February 2, 2014.



Commissioner for Taking Affidavits



T. Douglas Willock

TAB A

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

Applicant

**AFFIDAVIT OF DAVID M. PETROFF
(sworn December 23, 2013)**

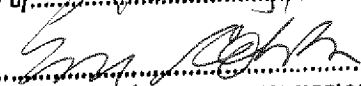
I, DAVID M. PETROFF, of the City of Toronto, MAKE OATH AND SAY:

1. I am the Chief Executive Officer of Jaguar Mining Inc. ("Jaguar"). I have held that position since September 10, 2012. As such, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. In preparing this affidavit I have also consulted, where necessary, with other members of Jaguar's management team or the management teams of its wholly-owned subsidiaries (together with Jaguar, the "Jaguar Group"). Where I have relied upon other sources of information, I have stated the source of that information and believe such information to be true.

2. I swear this affidavit in support of an application by Jaguar for an Order (the "Initial Order") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.

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This is Exhibit.....A.....referred to in the
affidavit of T. Douglas Willcock...
sworn before me, this 2nd.....
day of February, 2014

A COMMISSIONER, ETC.

C-36, as amended (the "**CCA**"). Jaguar's subsidiaries are not applicants in these proceedings, but Jaguar requests that its subsidiaries have the benefit of certain provisions of the Initial Order.

3. This affidavit is also sworn in support of a motion by Jaguar for:

- (a) an order (the "**Claims Procedure Order**") establishing a process for the identification and determination of claims against Jaguar and its present and former directors and officers; and
- (b) an order (the "**Meeting Order**") authorizing Jaguar to file a plan of compromise and arrangement and to convene a meeting of its affected creditors to consider and vote on the plan of compromise and arrangement.

4. If this Court grants the Initial Order, Jaguar is requesting that this Court hear the motion for the Claims Procedure Order and the Meeting Order immediately following the granting of the Initial Order.

5. The principal objective of these proceedings is to effect a recapitalization and financing transaction (the "**Recapitalization**") 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. In particular, the Recapitalization would result in a reduction of over \$268 million of debt and new liquidity upon exit of approximately \$50 million.

6. Jaguar must move forward with the Recapitalization as efficiently and

expeditiously as possible to avoid a looming liquidity crisis. The Notes (as defined below) are Jaguar's primary unsecured liabilities affected by the Recapitalization and any other affected unsecured liabilities of Jaguar, a holding company with no active business operations, are limited and identifiable. Jaguar has the support of Noteholders (as defined below) representing approximately 93% of the outstanding principal amount of Notes to proceed with the Recapitalization on the proposed, expedited time frame.

7. References to "\$" or "dollars" herein are to U.S. dollars, for ease of reference. The revenues of the Jaguar Group are in U.S. dollars and Brazilian reais. The expenditures of the Jaguar Group are in U.S. dollars, Brazilian reais, and Canadian dollars.

I. INTRODUCTION

8. Jaguar is the public parent corporation of other corporations in the Jaguar Group that carry on active gold mining and exploration in Brazil. Jaguar itself does not carry on active gold mining operations.

9. Based on reduced gold prices and the Jaguar Group's current level of operating expenditures, the Jaguar Group is expected to cease to have sufficient cash resources to continue operations in the first quarter of 2014.

10. Jaguar has committed an event of default under its 4.5% convertible note indenture dated September 15, 2009 as a result of the non-payment of approximately \$3.7 million of interest as of December 2, 2013. As a result of this event of default certain remedies have become available, including the possible acceleration of the

principal amount and accrued and unpaid interest on the 4.5% convertible notes (the "2014 Notes"). As at November 30, 2013, that principal and accrued interest totaled approximately \$169.3 million.

11. This event of default under the 4.5% convertible note indenture may cause other creditors to assert that cross-defaults have occurred, leading to possible acceleration of:

- (a) Jaguar's senior secured credit facility under which a principal amount of \$30 million is outstanding; and
- (b) principal and interest due under notes issued under and pursuant to a 5.5% convertible note indenture dated February 9, 2011. As at November 30, 2013, the aggregate principal and accrued interest under the 5.5% convertible notes (the "2016 Notes") was \$104.4 million.

12. Jaguar would have no means of repaying or re-financing these obligations if they were accelerated.

13. Jaguar must complete a recapitalization and financing transaction as soon as reasonably possible to avoid a liquidity crisis that is foreseeable in the very near future and to resolve outstanding obligations under the 2014 Notes and the 2016 Notes (collectively, the "Notes").

14. After completion of a strategic review with the assistance of financial and legal advisors, Jaguar has concluded that a comprehensive restructuring and financing plan

is the best available alternative to address Jaguar's financial issues.

15. Beginning in June of 2013, Jaguar entered into discussions with an ad hoc committee of holders of the Notes (the "**Ad Hoc Committee**") regarding a recapitalization and financing proposal. The commercial terms of a recapitalization and refinancing proposal (the "**Plan**") are now finalized. That Plan is supported, subject to certain conditions, by beneficial holders of approximately 93% of the outstanding principal value of the Notes (the "**Consenting Noteholders**"). These support arrangements may be terminated if the Plan is not implemented by an "outside date" of February 28, 2014 (the "**Outside Date**"), which has been agreed to between the Applicant and the Consenting Noteholders.

16. The Plan includes a series of transactions involving, among other things, the overall capital reorganization of Jaguar and the investment of additional capital.

17. In general terms, the Plan contemplates:

- (a) an exchange of \$268.5 million in principal amount of Notes, as well as other proven unsecured claims, if any, against Jaguar, for equity;
- (b) a reduction of total pro forma funded debt from \$323 million as at September 30, 2013 to \$54 million upon the implementation of the Plan;
- (c) a reduction of projected annual cash interest payments by \$13.1 million;
- (d) an investment of approximately \$50 million in new equity raised by way of a backstopped share offering to current holders of Notes, the net

proceeds of which will be available for use in Jaguar's operations (the "**Share Offering**");

- (e) the retention of Existing Shares by Existing Shareholders, which will account for 0.9% of the common shares of Jaguar upon completion of the Share Offering; and
- (f) the cancellation of all other equity interests and equity claims (as such term is defined in the CCAA) for no consideration.

18. Other than as described above, all other parties will be unaffected by the Recapitalization.

19. Jaguar's draft information circular in respect of the Recapitalization is attached hereto as Exhibit "A". The draft Plan is attached as Appendix "B" to the draft information circular.

II. THE JAGUAR GROUP

20. A simplified corporate structure of the Jaguar Group is attached hereto as Exhibit "B".

21. Details with respect to each member of the Jaguar Group are set out below.

A. Jaguar

22. Jaguar is a Canadian public company, the shares of which are listed on the TSX. Jaguar was continued under the *Business Corporations Act* (Ontario) in October 2003. Its registered office is located at 67 Yonge Street, Suite 1203, Toronto, Ontario,

Canada.

23. Jaguar is the public parent corporation of other corporations in the Jaguar Group that carry on active gold mining and exploration in Brazil. Jaguar itself does not carry on active gold mining operations. Jaguar has bank accounts in Canada as described further below. Jaguar employs six people as of the date of this affidavit.

24. As the public parent corporation of the Jaguar Group, Jaguar has been the main corporate vehicle through which financing has been raised for the operations of the Jaguar Group. Some of the subsidiaries of Jaguar have, as noted below, also raised funds directly, or have incurred liability by guaranteeing the repayment of funds borrowed by Jaguar.

25. Jaguar has raised debt financing through (a) the issuance of the Notes, and (b) borrowings from Renvest Mercantile Bancorp Inc., through its Global Resource Fund.

The Notes

26. In September 2009, Jaguar raised approximately U.S \$165.0 million (including a fully subscribed \$15.0 million over-allotment option) through the issuance of the 2014 Notes under and pursuant to an indenture dated September 15, 2009. A copy of such indenture (the "**4.5% Notes Indenture**") is attached hereto as Exhibit "C". The 2014 Notes bear interest at a rate of 4.5% annually, due and payable semi-annually in cash on May 1 and November 1 until maturity on November 1, 2014. These Notes are unsecured.

27. As indicated in a press release issued at the time of the closing of the issuance

of the 2014 Notes, a copy of which is attached hereto as Exhibit "D", Jaguar intended to use the net proceeds from the sale of the 2014 Notes to repurchase its outstanding 10.5% secured notes, to fund exploration and pre-development and the remainder for working capital and general corporate purposes. The funds raised by this issuance of 2014 Notes were ultimately insufficient to achieve these goals and to fund the operations of the Jaguar Group over the long term.

28. Jaguar has not paid the last interest payment due on November 1, 2013 under the 2014 Notes. Pursuant to the 4.5% Notes Indenture, there is a 30-day grace period before such non-payment constitutes an event of default; this grace period has now lapsed and an event of default has occurred under the 2014 Notes

29. In February, 2011, Jaguar raised an additional amount, approximately \$103.5 million (including a \$13.5 million over-allotment option), through the issuance of the 2016 Notes issued under and pursuant to an indenture dated February 9, 2011. A copy of such indenture (the "**5.5% Notes Indenture**") is attached hereto as Exhibit "E". The 2016 Notes bear interest at a rate of 5.5% annually, due and payable semi-annually in cash on March 31 and September 30 until maturity on March 31, 2016. These Notes are also unsecured.

30. As indicated in the press release issued at the time of closing of the issuance of the 2016 Notes, a copy of which is attached hereto as Exhibit "F", such funds were raised to finance the Gurupi mining project (described in greater detail below) and for general corporate and working capital purposes. The funds raised by the issuance of the 2016 Notes were also ultimately insufficient to achieve Jaguar's goals and to fund

the operations of the Jaguar Group over the long term.

31. Jaguar paid the last interest payment due on September 30, 2013 under the 2016 Notes.

Renvest Facility

32. On December 17, 2012, Jaguar entered into a \$30.0 million standby credit facility (the "**Renvest Facility**") with Renvest Mercantile Bancorp Inc. through its Global Resource Fund. The Renvest Facility is governed by a credit agreement (the "**Renvest Agreement**") made as of December 17, 2012 between Jaguar, as borrower, each of Jaguar's operating subsidiaries as guarantors, and Global Resource Fund, as lender. Interest is payable monthly in arrears at a rate of 11% per annum. Certain standby and draw down fees also apply to the commitments and advances under the Renvest Facility. A copy of the Renvest Agreement is attached hereto as Exhibit "G".

33. The obligations under the Renvest Facility are secured by a general security agreement from Jaguar in favour of Global Resource Fund as well as certain collateral security granted by each of the operating subsidiaries.

34. The Renvest Facility is now fully drawn, and matures on July 25, 2014.

35. As noted above, Renvest Mercantile Bancorp Inc. may assert that certain cross-defaults have occurred under the Renvest Facility, which may lead to an acceleration of the amounts owing under the Renvest Facility.

Other Unsecured Liabilities

36. As Jaguar does not carry on active business, its other unsecured liabilities are limited and identifiable.

37. Liabilities of Jaguar, other than the Notes and the Renvest Facility, are accounts payable for office expenses of less than \$10,000 in aggregate, accruals for employee expenses, earned and unpaid directors' fees, professional service fees and certain contingent liabilities relating to litigation commenced on March 27, 2012 by Daniel Titcomb, the former chief executive officer of Jaguar, and certain other associated parties, which lawsuit is currently proceeding in the United States Federal Court. This lawsuit alleges certain employment related claims and other claims in respect of the equity interests of Mr. Titcomb and other parties in Jaguar. Jaguar and its Board of Directors believe this lawsuit to be without merit.

38. Aside from this lawsuit and professional service fees incurred by Jaguar, the unsecured liabilities of Jaguar are not material. Attached hereto as Exhibit "H" is a summary of the known unsecured creditors of Jaguar as of the date of this affidavit.

Summary of Liabilities

39. The main liabilities of Jaguar, as at November 30, 2013, can therefore be summarized as falling into the following five categories, being (i) unsecured debt in the amount of \$169.3 million (including accrued interest) due under the 4.5% Notes Indenture, (ii) unsecured debt in the amount of \$104.4 million (including accrued interest) due under the 5.5% Notes Indenture, (iii) secured debt of approximately \$30.0

million (excluding accrued interest, which is paid monthly) owing under the Renvest Agreement, (iv) professional fees, accrued and unpaid amounts to directors and employees, and limited unsecured miscellaneous payables, and (v) contingent liabilities under a lawsuit against Jaguar.

Common Shares

40. As of the date of this affidavit, the authorized capital of Jaguar consists of an unlimited number of common shares, of which 86,396,356 common shares are issued and outstanding (the "**Existing Shares**", and the holders of such Existing Shares being the "**Existing Shareholders**").

Jaguar's Financial Position

41. Copies of Jaguar's consolidated unaudited financial statements for the nine months ended September 30, 2013, as well as copies of all financial statements, audited or unaudited, prepared during the year before this application are attached as Exhibit "I" hereto.

42. Jaguar's unaudited consolidated financial statements for the 9 months ended September 30, 2013 show that Jaguar has an accumulated deficit of over \$317 million and that it has recognized a net loss of over \$82 million for the 9 months ended September 30, 2013. While Jaguar's balance sheet shows that the book value of its assets exceed the book value of its liabilities by approximately \$72 million, Jaguar's current liabilities (at book value) exceed Jaguar's current assets (at book value) by approximately \$40 million. Jaguar is projected to cease to have sufficient cash to

continue operating in the first quarter of 2014. Further, Jaguar's strategic review shows that the book value of Jaguar's assets is not reflective of the value that could be realized upon an expedited sale: the liquidation value of these assets would likely be much lower than book value. Finally, if the Jaguar Group ceases to operate as a going concern, this would likely crystalize certain material labour and environmental liabilities against Jaguar's subsidiaries under Brazilian law.

43. Jaguar faces a liquidity crisis and is insolvent.

B. The Jaguar Operating Subsidiaries

44. Jaguar has three wholly-owned Brazilian operating subsidiaries: MCT Mineração Ltda. ("MCT"), Mineração Serras do Oeste Ltda. ("MSOL") and Mineração Turmalina Ltda. ("MTL" and, together with MCT and MSOL, the "Subsidiaries"), all incorporated under the laws of the Republic of Brazil. In brief terms, each of these subsidiaries can be described as follows:

- (a) The assets of MCT include (i) a development-stage exploration property, known as the Gurupi mining project, located in northeastern Brazil and covering an area of approximately 139,000 hectares, and (ii) minimal equipment and infrastructure.

The liabilities of MCT include its guarantee to Global Resource Fund under the Renvest Facility, in the amount of \$30.0 million. The assets of MCT have been pledged to Global Resource Fund to secure MCT's guarantee of the Renvest Facility. Other liabilities of MCT include

deferred income taxes and contingent liabilities under employee-initiated lawsuits, environmental matters and royalty arrangements.

- (b) MSOL is the owner and operator of the Paciência and Caeté gold mining operations and the Pedra Branca mineral concessions.

The Paciência mine is currently on a care and maintenance program. It was placed on care and maintenance in mid-2012 after it was determined that a complete remediation would be required to achieve acceptable safety standards and productivity. There is no restart of the mine currently scheduled, and maintaining the mine on care and maintenance will cost approximately \$1.7 million per year. Even prior to being placed on care and maintenance, production of the mine decreased significantly, from approximately 59,000 ounces in 2010 to approximately 40,000 ounces in 2011, and with production of only 10,000 ounces in 2012.

The Caeté mill is supplied by two underground mines. Production resumed in 2010 after a five-year, three-phase expansion of the plant. Production in 2011, 2012 and 2013 has remained relatively stable, at about 55,000 ounces per year. The mill employs approximately 621 people directly, and provides indirect employment to many people in the area.

The liabilities of MSOL include direct bank indebtedness to banks Bradesco, Itaú and Safra of approximately \$11.0 million (including

accrued interest), together with liability as a guarantor to Global Resource Fund under the Renvest Facility, in the amount of \$30.0 million, and a note payable to a Brazilian subsidiary of Vale S.A. in the amount of \$9.0 million. The assets of MSOL have been pledged to Global Resource Fund to secure the repayment of MSOL's guarantee of the Renvest Facility. Other liabilities of MSOL include accounts payable to suppliers and accrued payroll, as well as contingent liabilities under employee-initiated lawsuits, environmental remediation obligations, and royalty arrangements.

- (c) MTL is the owner and operator of a gold mine located near the city of Pitangui, Minas Gerais, in Brazil. It has proven and probable gold reserves of approximately 450,000 ounces, and measured, indicated and inferred gold resources of approximately 1.5 million ounces. The mine employs approximately 417 people directly, and provides indirect employment to many people in the area.

Challenging ground control issues limited the productivity of the mine in 2012 and 2013. In the preceding two years (2010 and 2011), this mine produced approximately 60,000 ounces of gold. In 2012 and in 2013, this mine will produce approximately 38,000 ounces of gold.

The liabilities of MTL include direct bank indebtedness to banks Bradesco, Itaú and Safra of approximately \$6.1 million (including accrued interest), together with liability as a guarantor to Global

Resource Fund under the Renvest Facility, in the amount of \$30.0 million. The assets of MTL have been pledged to Global Resource Fund to secure MTL's guarantee of the Renvest Facility. Other liabilities of MTL include accounts payable to suppliers, accrued payroll, deferred income taxes as well as contingent liabilities under employee-initiated lawsuits, environmental remediation obligations, and royalty arrangements.

C. Inter-Company Financing Arrangements

45. Jaguar maintains bank accounts at Bank of America, HSBC and Royal Bank of Canada.

46. Jaguar's subsidiaries maintain bank accounts at Banco Bradesco S.A., Banco Itaú S.A., Banco Safra S.A., Caixa Econômica Federal and HSBC.

47. In the ordinary course of business, funds are transferred between the bank accounts of Jaguar and the bank accounts of the Subsidiaries in accordance with the terms of certain intercompany loan arrangements described below.

48. MSOL, MTL and MCT were each funded by extensive intercompany loans from Jaguar. As at October 31, 2013:

- (a) MSOL owed Jaguar intercompany debts of approximately \$225.1 million;
- (b) MCT owed Jaguar intercompany debts of \$4.0 million; and
- (c) MTL owed Jaguar intercompany debts of \$37.9 million.

Interest on each of these intercompany debts is currently charged at a rate of LIBOR + 4%.

49. These intercompany loans are evidenced by a series of loan agreements that provide for periodic repayments of principal and interest in installments by the applicable Subsidiaries to Jaguar. In certain cases, these loans have been made in the form of Export Financing Agreements, which provide for repayment through the periodic delivery of gold by the Subsidiary to Jaguar.

50. In connection with the Plan, Jaguar will amend the terms of these intercompany loans to eliminate any interest payable thereon.

51. The continued operation of these intercompany loan arrangements is necessary to provide Jaguar with an important ongoing source of cash.

III. JAGUAR GROUP'S LIQUIDITY AND LEVERAGE CONCERNS

52. The Jaguar Group's mines (including the Paciência mine, which is now on care and maintenance) are not low-cost gold producers, despite recent cost reductions. For this reason, the operations of the Jaguar Group are particularly sensitive to gold prices.

53. The average price of gold has declined substantially since September of 2011, from nearly \$2,000 per ounce at that time to \$1,231 per ounce as of December 17, 2013, which has impacted the Jaguar Group significantly.

54. Based on current gold prices and the Jaguar Group's current level of expenditures (before debt service), the Jaguar Group is expected to cease to have

sufficient cash resources to continue operations in the first quarter of 2014. Despite cost reductions, Jaguar cannot generate sufficient net revenues to optimally fund its operations, and cannot generate sufficient net revenues to service its substantial debts going forward. For 2013, Jaguar's interest payments would have amounted to approximately \$18.0 million.¹

55. A review of other gold producers of a similar size to Jaguar shows that these competitors typically have significantly less leverage and significantly lower fixed financing costs than Jaguar. Jaguar's higher leverage and higher fixed financing costs place it at an insurmountable disadvantage in a lower gold price environment. This leverage also impedes Jaguar's ability to raise further equity financing as needed.

56. Continued investment in the Jaguar Group's mines and exploration properties is needed. Capital investment is required to: (i) continue operations in the normal course; (ii) continue the care and maintenance of the Paciência mine; (iii) update mine plans and ensure appropriate mine development; and (iv) continue stabilization of operations. Further, if the Jaguar Group's operations are to be optimized, capital is also required to increase production at existing operating mines, invest in equipment, and to allow the company to obtain technical reports and commercial feasibility studies with respect to its development assets. Due to liquidity issues and cost-reduction efforts, the Jaguar Group's capital investments have been postponed.

¹ This figure includes the interest that became due on November 1, 2013 in respect of the 4.5% Convertible Notes, which interest has not been paid at this time.
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IV. EFFORTS TO IMPROVE JAGUAR'S OPERATING RESULTS AND PURSUE STRATEGIC ALTERNATIVES

57. In the past two years, there has been a full turnover of both the senior management team and the board of directors of Jaguar. I was appointed as the new chief executive officer on September 10, 2012 and, in January 2013, Douglas Willock was appointed as the new chief financial officer and Gordon Babcock was appointed as the new chief operating officer. Together, we have in excess of 90 years of collective experience in the mining and corporate finance areas, with strong Latin American experience.

58. The longest serving member of the current board of directors of Jaguar was appointed in May 2012.

59. The new senior management team and the board of directors of Jaguar have reviewed strategic alternatives and pursued extensive restructuring and turnaround efforts since their appointment.

60. In May of 2012, Jaguar announced the implementation of a comprehensive restructuring and turnaround plan to improve costs and efficiency at its operations.

61. The plan incorporated objectives and initiatives identified by Jaguar's management and a number of expert industry consultants who were retained to assist with operational and cost improvements. Key elements of the plan were administrative cost reductions, improved safety, optimization of the workforce, converting to properly scaled mining methodology, advanced development and definition drilling, and putting

the Paciência operations of MSOL on care and maintenance. Current activities at each of the operating mining complexes demonstrate that those operations are on their way to meeting cost and production targets.

62. While the above initiatives were positive developments, Jaguar concluded that more fundamental changes would be required to meet Jaguar's financial needs. Specifically, Jaguar found that its existing capital structure was unsustainable and that it had liquidity concerns that operational changes alone could not respond to.

63. Canaccord Genuity was engaged as Jaguar's financial advisor in May 2013² to act as financial advisor in connection with the design and implementation of a recapitalization strategy for Jaguar. The scope of Canaccord Genuity's assignment was to

- (a) Review Jaguar's business plans, budgets and financial projections and conduct appropriate sensitivity analyses;
- (b) Assess the capital structure of Jaguar with a view to determining the appropriate debt load and debt structure;
- (c) Advise Jaguar on the design and execution of potential transactions to improve Jaguar's capital structure;
- (d) Conduct a process to raise new money capital; and
- (e) Advise Jaguar on the implementation of a recapitalization plan, and conduct negotiations with Jaguar's respective stakeholders

² Canaccord Genuity was initially engaged on May 21, 2012 to review and advise on a potential sale of assets related to the Gurupi project, which mandate was subsequently consolidated with this comprehensive strategic review mandate. DOCSTOR: 2885568/4A

64. A copy of Canaccord Genuity's engagement letter, together with amendments thereto as of September 9, 2013 and November 6, 2013, is attached hereto as Confidential Exhibit "A" (the "**Canaccord Engagement Letter**").

65. With the assistance of Canaccord Genuity, Jaguar analyzed the possibility of divesting certain of its assets in order to provide increased liquidity to sustain the company during a period of unfavourable gold prices and to allow continued investment in cost reduction options. However, Jaguar and its Board of Directors did not believe that such a transaction was feasible.

66. Canaccord Genuity had discussions with nine potential sources of third party financing. Those parties who expressed interest in potentially providing financing were not willing to provide financing in the amount, of the type or on the timeline required by Jaguar.

67. The efforts of Jaguar and its advisors have shown that a comprehensive restructuring plan involving a debt to equity exchange and an investment of new money is the best available alternative to address Jaguar's financial issues. The Recapitalization is the best such restructuring plan available.

68. On November 1, 2013, Jaguar issued a press release announcing that its board of directors had approved a term sheet outlining the terms of a recapitalization plan, which may be implemented under a CCAA process or through a proceeding under the *Canada Business Corporations Act* ("**CBCA**"). A copy of that press release is attached hereto as Exhibit "J".

69. On November 13, 2013, Jaguar issued a press release announcing that it had entered into the Support Agreement. That press release also outlined in detail the terms of the Recapitalization, which was contemplated to be implemented under either a CCAA or a CBCA process. A copy of that press release is attached hereto as Exhibit "K".

70. The Support Agreement provided Jaguar with the right, subject to certain conditions, to consider alternatives to the Recapitalization. However, no superior alternatives have materialized.

V. THE CCAA PROCEEDINGS

71. Jaguar faces a foreseeable liquidity crisis and is insolvent.

A. Reasons For The Plan

72. Jaguar believes that it must deleverage its balance sheet to reduce the amount of debt that it has and to reduce the debt service payments that it must make to the extent possible in the current circumstances. The Jaguar Group cannot continue to operate in the current environment with its existing capital structure that requires significant and fixed periodic interest payments.

73. Jaguar has considered a broad range of strategic alternatives to address its capital structure concerns and enhance liquidity with the assistance of its financial advisor, Canaccord Genuity, and its legal counsel, Norton Rose Fulbright Canada LLP. The Plan is the result of Jaguar's review of strategic alternatives and negotiations conducted by representatives of the Jaguar Group, its legal and financial advisors and

stakeholders with an economic interest in Jaguar.

74. Jaguar believes that the Arrangement as contemplated by the Plan is the best way to reduce Jaguar's debt levels, increase liquidity for the Jaguar Group's operations and allow the Jaguar Group to operate in the normal course and make certain necessary capital investments and accelerate operational improvements.

75. 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 under the Renvest Facility and is expected to cease to have sufficient liquidity to continue operations in the first quarter of 2014. If Jaguar were to pay the interest that is currently owing under the 2014 Notes and if gold prices were to further decline, a liquidity crisis could be accelerated. If Jaguar is left without operating cash, liquidation appears to be the likely alternative.

76. Jaguar's analysis, which has been reviewed by its financial advisor, shows that in a liquidation scenario holders of the Notes would suffer a significant shortfall in the amounts owed to them and the existing shares of Jaguar would have no economic value. Further, the impact of the commencement of a liquidation process in Brazil upon the realizable value of the Jaguar Group's Brazilian assets, including its mining rights, is uncertain and may further diminish any recoveries to Jaguar's stakeholders.

77. The Plan represents the best alternative to a liquidation.

78. In light of the current financial state of Jaguar and after the broad review of alternatives, the Board of Directors of Jaguar has determined that the Plan is the best

available option to Jaguar. In the circumstances, the Plan cannot be implemented outside of a CCAA proceeding.

79. Jaguar believes that the Plan must be implemented as soon as possible. If Jaguar does not receive financing from the Plan in the first quarter of 2014, Jaguar expects that it will face a liquidity crisis and have insufficient funds to continue operating. While Jaguar could seek interim bridge financing under the CCAA, such financing will likely be expensive. In efforts to conserve its remaining cash and for consistency with its goals of de-leveraging its current capital structure, Jaguar is seeking to implement the Plan on an expedited time frame without interim financing.

B. Description of the Proposed Plan

80. In very general terms, the Plan contemplates:

- (a) an exchange of \$268.5 million in principal amount of Notes for equity;
- (b) an exchange of allowed unsecured claims other than those under the Notes for equity;
- (c) a reduction of total pro forma funded debt from \$323 million as at September 30, 2013 to \$54 million upon the implementation of the Plan;
- (d) a reduction of projected annual cash interest payments by \$13.1 million;
- (e) an investment of approximately \$50 million of new equity raised by way of the backstopped Share Offering by current holders of Notes, the net

proceeds of which will be available for use in Jaguar's operations;

- (f) the retention of Existing Shares by Existing Shareholders, subject to dilution to 5% upon completion of the Note exchange and to 0.9% upon completion of the Share Offering; and
- (g) cancellation of all other existing equity interests and extinguishment of equity claims (as defined in the CCAA) for no consideration.

81. Investors eligible to participate in the Share Offering are the holders of Notes who deliver an executed letter containing representations and warranties relating to such investor's eligibility to acquire shares under the Share Offering under U.S. securities laws (the "**Eligible Investors**"). Each Eligible Investor is entitled (but not obligated) to subscribe for its pro-rata portion of the Offering Shares (the "**Subscription Privilege**").

82. The Plan also contemplates that, on the consent of the Monitor and the Majority Backstop Parties (as defined therein), other affected unsecured creditors who hold proven claims and are otherwise eligible may participate in the Share Offering.

83. A subset of the Eligible Investors are the Backstop Parties who have each committed to purchase a portion of the Offering Shares that are not validly subscribed for and taken up by Eligible Investors under the Subscription Privilege. The aggregate commitments of the Backstop Parties equal the full proceeds of the Share Offering. The commitments of the Backstop Parties are governed by the terms of a Backstop Agreement, dated as of November 13, 2013 (as amended), with the Jaguar Group, a

copy of which is attached hereto (in redacted form) as Exhibit "L".

84. Under the Plan, Noteholders will receive the following New Common Shares upon completion of the Share Offering:

- (a) Their pro rata share, along with other proven unsecured creditors, of 12.6% of New Common Shares of Jaguar;
- (b) an additional 4.5% of the New Common Shares of Jaguar, for Noteholders who signed the Support Agreement on or prior to November 26, 2013 (or such other date as agreed to by Jaguar, the Monitor and the Majority Consenting Noteholders);
- (c) an additional 10% of the New Common Shares of Jaguar, for Noteholders who are Backstop Parties;
- (d) an additional approximately 8% of the New Common Shares of Jaguar, for Noteholders who participate in the Share Offering (including Funding Backstop Parties), allocated pro rata based upon their accrued interest claims; and
- (e) an additional approximately 64% of the New Common Shares of Jaguar, for Noteholders who participate in the Share Offering, based on their participation in the Share Offering, whether as Backstop Parties or as Eligible Investors.

85. Upon implementation of the Plan, Existing Shareholders will be diluted down to

approximately 0.9% of the New Common Shares of Jaguar.

86. Unsecured creditors with proven unsecured claims under the Plan, other than Noteholders, will receive their pro rata share, calculated on an aggregate basis with the claims of Noteholders, of 12.6% of the New Common Shares of Jaguar. The Plan also contemplates that, on the consent of the Monitor and the Majority Backstop Parties (as defined therein), affected unsecured creditors who are not Noteholders and who hold proven claims and are otherwise eligible may participate in the Share Offering. The population of this unsecured creditor group is expected to be limited.

87. Unsecured liabilities of Jaguar, including the Notes, will be released and discharged.

88. Equity claims (other than the share holdings of Existing Shareholders) against Jaguar will be released, discharged and cancelled for no consideration.

89. Trade-related payables of the Subsidiaries will be honoured in full and will be unaffected by the Plan.

90. The Renvest Facility will be unaffected by the Plan.

91. The implementation of the Plan, as described above, is conditional upon, among other things, the listing of the New Common Shares of Jaguar on the TSX or the TSX Venture exchange without any vote or approval of holders of the Existing Shares. The implementation of the Plan is also subject to other conditions as further described in the Support Agreement, the Backstop Agreement and the Plan.

C. Review of the Plan by the Board of Directors and the Special Committee

92. An independent committee comprised of three members of the Board of Directors of Jaguar (the "**Special Committee**") was established by the Board of Directors to consider strategic matters relating to Jaguar. The Special Committee received advice from its independent legal counsel, from Jaguar's counsel and Jaguar's financial advisor. The Special Committee reviewed and considered the Plan and has determined, in consultation with legal and financial advisors, that the Plan is fair, reasonable and in the best interests of Jaguar. The Special Committee has unanimously recommended that the Board of Directors of Jaguar approve the steps necessary to implement the Plan.

93. After careful consideration, and after considering the advice of Jaguar's financial and legal advisors, the Board of Directors of Jaguar unanimously approved and authorized Jaguar's application under the CCAA to implement the Plan.

94. I am unaware of any person who, in their capacity as a member of the Board of Directors, would receive any collateral benefit as a result of the Plan, aside from the releases contained therein.

D. Stakeholder Support

95. As of the date of this affidavit, the Plan is supported by holders of 2014 Notes representing approximately 96% of the outstanding obligations under the 2014 Notes and holders of 2016 Notes representing approximately 89% of the outstanding

obligations under the 2016 Notes, which majorities have executed a support agreement with Jaguar and its Subsidiaries dated as of November 13, 2013 (as amended), or a consent agreement thereto (collectively, the "**Support Agreement**"). A copy of the Support Agreement, redacted for confidentiality reasons, is attached as Exhibit "M" hereto.

96. As stated above, the Support Agreement provides certain termination rights to Consenting Noteholders if the Plan is not implemented by the Outside Date of February 28, 2014.

97. Consenting Noteholders that executed the Support Agreement (including consent agreements thereto) on or prior to November 26, 2013 (or such other date as agreed to by Jaguar, the Monitor and the Majority Consenting Noteholders) are eligible for additional New Common Shares under the Plan, in settlement of their Notes, as detailed above.

98. Aside from the Consenting Noteholders, the only parties' whose legal rights are affected by the Plan are:

- (a) the small minority of Noteholders that are not Consenting Noteholders;
- (b) the general unsecured creditors of Jaguar as of the filing date, if any;
- (c) the plaintiffs in the litigation commenced by Daniel Titcomb, which is in large part based upon claimed losses in respect of equity shares of Jaguar held by the plaintiffs; and

(d) other holders of equity interests in Jaguar.

99. Liquidation analyses prepared by Jaguar and reviewed by Jaguar's financial advisor, show that equity interests in Jaguar currently have no economic value in a liquidation scenario.

E. Overview of Cash Flow Forecast

100. A cash flow forecast (the "**Cash Flow Statement**") was prepared by Jaguar with the assistance of the Proposed Monitor for the period from December 23, 2013 to February, 28, 2014. Jaguar's principal uses of cash during such period will consist of the payment of ongoing day-to-day operational expenses, and professional fees and disbursements in connection with these CCAA proceedings. A copy of the Cash Flow Statement is attached hereto as Exhibit "N".

101. While Jaguar faces a looming liquidity crisis, Jaguar currently forecasts that the Jaguar Group has sufficient cash flow to continue operating in the ordinary course until implementation of the Plan, assuming that implementation occurs in the month of February. This forecast is based upon a number of assumptions including: (i) the stability of gold prices; (ii) the Meeting Order and Claims Procedure Order being granted on the date of the Initial Order; and (iii) the Plan being approved on the expedited timeline proposed by the Claims Procedure Order and the Meeting Order.

102. If the above assumptions cease to be correct, Jaguar may need to seek interim financing. Jaguar will continue to monitor its liquidity closely.

V. REQUESTED RELIEF UNDER THE INITIAL ORDER

A. Stay of Proceedings

103. Jaguar itself does not carry on active gold mining operations. Its operations are carried out through the Subsidiaries. The Jaguar Group operates in a fully integrated manner.

104. No members of the Jaguar Group other than Jaguar are applicants in these proceedings. As currently constituted, the other members of the Jaguar Group are not debtor companies (as such term is defined in the CCAA).

105. Because of Jaguar's dependence upon its Subsidiaries for its value generating capacity, the commencement of any proceedings or the exercise of rights or remedies against these Subsidiaries would be detrimental to Jaguar's restructuring efforts and would undermine a process that would otherwise benefit the Jaguar Group's stakeholders as a whole. The Initial Order contains provisions enjoining the exercise of rights and remedies against all members of the Jaguar Group while this restructuring process is being undertaken to the extent that those rights and remedies are related to or would have an impact upon Jaguar.

B. Payment of pre-filing amounts

106. Jaguar believes that certain pre-filing amounts must be paid following the date of the Initial Order as non-payment of these amounts may have a significant detrimental impact on the Jaguar Group.

107. Jaguar's primary outstanding liabilities (other than the Notes) relate to professional services provided by certain accounting, legal and financial advisory service providers in various jurisdictions to both Jaguar and the Ad Hoc Committee. Jaguar and the Ad Hoc Committee have worked cooperatively to develop the plan and the continued provision of services by these advisors will be essential to the successful implementation of the Plan. As a general matter, these advisors have no obligation to continue to provide services under any existing contracts. As such, there is a significant risk that absent payment for pre-filing amounts, these service providers will refuse to continue to provide services.

C. Approval of Financial Advisor Engagements

108. In order to assist in the implementation of this CCAA process, Jaguar seeks the approval and confirmation of the Court of the retention of Canaccord Genuity Corp., as financial advisor to Jaguar, and Houlihan Lokey, as financial advisor to the Ad Hoc Committee, (Canaccord Genuity Corp. and Houlihan Lokey being, collectively, the "**Financial Advisors**") and approval of the terms of the Canaccord Engagement Letter and of Houlihan Lokey's engagement letter, a copy of which is attached hereto as Confidential Exhibit "B" (the "**Houlihan Engagement Letter**", together with the Canaccord Engagement Letter, the "**FA Engagement Letters**").

109. The approval of the engagement of the Financial Advisors is appropriate in the circumstances as the Financial Advisors have worked extensively with Jaguar to date in its pre-CCAA restructuring efforts and have extensive knowledge of the options reviewed and available to Jaguar. The Financial Advisors' background knowledge is

particularly helpful in moving the Plan to a conclusion as quickly as possible.

110. Jaguar will be seeking an Order sealing the Confidential Exhibits to this Affidavit which contain the FA Engagement Letters. The FA Engagement Letters are commercially sensitive as they contain the commercial terms of the engagement of each of the Financial Advisors. The disclosure of those commercial terms would have a detrimental impact on the Financial Advisors' ability to negotiate compensation on any future engagements. Further, the sealing of these Confidential Exhibits would not materially prejudice any third parties. Counsel to the Ad Hoc Committee has reviewed the FA Engagement Letters.

D. Administration Charge

111. Jaguar seeks a charge on its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") in the maximum amount of \$5,000,000 (a \$500,000 first ranking charge (the "**Primary Administration Charge**") and a \$4.5 million fourth ranking charge (the "**Subordinated Administration Charge**") as described below), to secure the fees and disbursements incurred in connection with services rendered to Jaguar both before and after the commencement of the CCAA proceedings by domestic and foreign counsel to Jaguar, the Proposed Monitor, the Proposed Monitor's domestic and foreign counsel, independent counsel to the Special Committee, domestic and foreign counsel to the Ad Hoc Committee and the Financial Advisors (the "**Administration Charge**").

112. Jaguar has worked with the proposed Monitor to determine the proposed

quantum of the Administration Charge and believes it to be reasonable and appropriate in view of Jaguar's CCAA proceedings and the services provided and to be provided by the beneficiaries of the Administration Charge.

E. Directors' Charge

113. To ensure the ongoing stability of Jaguar's business during the CCAA period, an expedited implementation process, and the successful emergence following implementation of the Plan, Jaguar requires the continued participation of its directors and officers who oversee the management of the business and commercial activities of Jaguar. The directors and officers of Jaguar have considerable and valuable experience.

114. The directors and officers of Jaguar have indicated that due to the potential for personal liability, they cannot continue their service in this restructuring unless the Initial Order grants the Directors' Charge (as defined below) to secure Jaguar's indemnity obligations to the directors and officers that arise post-filing.

115. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to Jaguar, and do verily believe, that in certain circumstances directors can be held liable for certain obligations of a company owing to employees and government entities. As at the current date, Jaguar has six employees. Wages, vacation pay, and statutory employee deductions are accruing in the ordinary course with no arrears due and unpaid as at the date hereof.

116. Jaguar maintains directors' and officers' liability Insurance (the "D&O

Insurance) for the directors and officers of Jaguar. The current D&O Insurance policies provide a total of \$35 million in primary coverage. A supplemental policy also provides an additional \$10 million of coverage.

117. The proposed Initial Order contemplates the establishment of a charge on the Property in the amount of \$150,000 (the **"Directors' Charge"**) to protect the directors and officers against obligations and liabilities they may incur as directors and officers of Jaguar after the commencement of the CCAA Proceedings, except to the extent that the obligation or liability is incurred as a result of the director's or officer's gross negligence or wilful misconduct. The Directors' Charge was calculated by reference to (a) the monthly payroll and withholding obligations of Jaguar; (b) vacation pay; and (c) the quantum of sales tax that Jaguar must remit in the typical month.

118. The benefit of the Directors' Charge will only be available to the extent that a liability is not covered by the D&O Insurance.

119. While the D&O Insurance is available, the directors and officers of Jaguar cannot be certain that the insurance providers will not seek to deny coverage on the basis that the D&O Insurance does not cover a particular claim or that coverage limits have been exhausted.

120. Jaguar is unlikely to have sufficient funds available to satisfy any contractual indemnities to the directors or officers should the directors or officers need to call upon those indemnities.

121. Jaguar worked with the Proposed Monitor in determining the proposed quantum

of the Directors' Charge and believes the Directors' Charge is reasonable in the circumstances.

122. In the ordinary course, certain members of the Board of Directors of Jaguar receive fees for attending and participating in board meetings and/or meetings of the Special Committee. Jaguar intends to continue to pay those fees following the granting of the Initial Order in these proceedings. Jaguar also intends to continue to pay for one independent legal counsel to the Special Committee.

F. Proposed Ranking of Court Ordered Charges

123. The proposed ranking of the Court-ordered charges (the "Charges") is as follows:

- (a) First, the Primary Administration Charge (up to a maximum of \$500,000);
- (b) Second, the Directors' Charge (up to a maximum of \$150,000);
- (c) Third, liens granted by the Applicant to secure the obligations under the Renvest Facility prior to the date of the Initial Order; and
- (d) Fourth, the Subordinated Administration Charge (up to a maximum of \$4,500,000).

124. I am advised by Mr. Cobb that Renvest Mercantile Bancorp Inc., through its Global Resource Fund, as lender under the Renvest Facility, will be served with Jaguar's notice of application in these proceedings.

125. Jaguar's legal advisors have conducted: (i) Bankruptcy and Insolvency searches with the Office of the Superintendent of Bankruptcy Canada current to December 17, 2013, (ii) Bankruptcy searches with the Ontario Superior Court of Justice in Toronto current to December 17, 2013 (iii) Personal Property Security Registration System searches in Ontario current to December 16, 2013, and (iv) Bank Act security searches current to December 17, 2013, in Ontario, being the only Canadian jurisdiction in which Jaguar has assets. Jaguar has also conducted Writ of Execution searches with the Sheriff in the City of Toronto. Copies of those searches are attached hereto as Exhibit "O". I am advised by Mr. Cobb that the Personal Property Security Registration System searches show that the only party having a registration against Jaguar as of December 16, 2013 was Global Resource Fund.

G. Proposed Monitor

126. FTI Consulting Canada Inc. has consented to act as the Court-appointed Monitor of Jaguar, subject to Court approval.

127. FTI Consulting Canada Inc. is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

VI. CLAIMS PROCEDURE AND MEETING ORDER

128. Jaguar will be bringing a motion, seeking to proceed immediately, for a Claims Procedure Order authorizing and directing Jaguar to undertake a process (the "**Claims**

Procedure) to identify and determine all affected claims against Jaguar and its present and former directors and officers for voting and distribution purposes with respect to the Plan.

129. Also, Jaguar will be bringing a motion, seeking to proceed immediately, for a Meeting Order authorizing and directing Jaguar to file the Plan with the Court and to convene a meeting of its affected creditors to vote on a resolution to approve the Plan and any amendments thereto.

130. Jaguar is seeking the Meeting Order and the Claims Procedure Order at this time because it must complete the Recapitalization contemplated by the Plan on an expedited timeline. This is in the best interests of all stakeholders of Jaguar and its subsidiaries particularly given: (i) the extensive process already undertaken to evaluate restructuring alternatives; (ii) the pending liquidity crisis that Jaguar will face if financing, such as that provided by the Plan, cannot be obtained; (iii) Jaguar is a holding company with no business operations and expects limited claims to be filed under the proposed claims process; (iv) Noteholders representing approximately 93% of the outstanding principal amounts of Notes support proceeding with the Recapitalization under the proposed expedited time frame; and (v) the Outside Date for implementation of the Plan under the Support Agreement, which is February 28, 2014.

131. Each of the Claims Procedure Order and Meeting Order contain a clause providing that any party that wishes to amend or vary those Orders may bring a motion before the Court on a date to be set by the Court.

A. Requested Relief Under the Claims Procedure Order

132. In this section, capitalized terms not defined herein will be as defined in the Claims Procedure Order.

133. The draft Claims Procedure Order provides a process for identifying and determining claims against Jaguar and its present and former directors and officers, including, *inter alia*, the following:

- (a) the Monitor shall assist Jaguar in connection with the administration of the claims procedure provided in the Claims Procedure Order, including the determination of Claims;
- (b) Jaguar shall send to each of the Trustees (as agents for the Noteholders), a notice stating the accrued amounts (including all principal and interest) owing directly by the Applicant under each of the Indentures as at the applicable record date. Unless otherwise agreed between Jaguar, the Majority Consenting Noteholders and the applicable Trustee, or otherwise ordered by the Court, the amounts provided for in such notice shall be deemed to be the accrued amounts owing under the Indentures for voting and distribution purposes under the Plan;
- (c) the Monitor shall publish a notice to creditors in the Globe and Mail (National Edition) and the Wall Street Journal on two separate occasions to solicit Claims against Jaguar by potential claimants who are not yet known to Jaguar;

- (d) The Monitor shall send a Claims Package to all Known Unsecured Creditors and to any Unknown Unsecured Creditor who makes a request therefor prior to the Claims Bar Date;
- (e) any Unsecured Creditor (other than a Noteholder, in respect of a claim under its Notes) 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
- (f) The proposed Claims Bar Date is January 22, 2014;
- (g) The Restructuring Period Claims Bar Date, in respect of claims arising out of the restructuring, disclaimer, resiliation, termination or breach by Jaguar on or after the Filing Date of any contract, lease or other agreement shall be seven (7) days after the day such a Restructuring Period Claim arises;
- (h) The Claims Procedure Order contains provisions allowing Jaguar to disallow or revise a Proof of Claim as against an Unsecured Creditor, and provides a procedure for resolving any dispute of such disallowance or revision for either voting or distribution purposes;
- (i) The Claims Procedure Order allows Jaguar to allow a Claim for the purposes of voting on the Plan without prejudice to whether that Claim has been accepted distribution purposes under the Plan;
- (j) Unsecured Creditors may file a Proof of Claim with respect to a

Director/Officer Claim;

- (k) Where Jaguar or the Monitor sends a notice of disclaimer or resiliation to any Creditor after the Filing Date, such notice shall be accompanied by a Claims Package allowing such Creditor to make a claim against Jaguar in respect of a Restructuring Period Claim; and
- (l) 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.

134. The Claims Procedure Order identifies the Claims of all possible Creditors in a manner that preserves the right of such Creditors while allowing Jaguar to proceed on an expedited basis.

135. Jaguar believes that substantially all Claims against Jaguar should be identified and known to Jaguar at this time as Jaguar does not undertake any active business and, therefore, the universe of potential claims against Jaguar is limited.

B. Requested Relief Under the Meeting Order

136. The draft Meeting Order provides that Jaguar is authorized to file the Plan and to convene a meeting of its affected creditors to consider and vote on the Plan. There will be one class of affected creditors, being those creditors with allowed unsecured Claims against Jaguar as of the date of the Initial Order, including holders of the Notes, and those creditors with Restructuring Period Claims (as defined in the Claims Procedure

Order).

137. I believe that the classification is fair having regard to:

- (a) the unsecured nature of the debts, which is common to all members of the class;
- (b) the fact that all members of the class would rank *pari passu* in a liquidation; and
- (c) the creditors' legal interests, and the remedies available to them, and the extent to which they would recover on their claims by exercising those remedies.

138. The meeting of affected creditors (the "**Creditors' Meeting**") has been scheduled to be held 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.

139. The Creditors' Meeting may be adjourned at the discretion of the Monitor, subject to the consent of the Majority Consenting Noteholders.

140. The draft Meeting Order provides for, *inter alia*, the following in respect of the governance of the Meeting (capitalized terms not otherwise defined herein shall have the meaning given to those terms in the Meeting Order):

- (a) An officer of the Monitor shall preside as the chair of the Meeting;

- (b) The only parties entitled to attend the Meeting are Jaguar, the Monitor, the Creditors with Voting Claims or their duly appointed proxyholders, the Consenting Noteholders, the Trustees, all such parties' legal and financial advisors and such other parties as the Monitor may invite or permit to attend the Meeting, in its sole discretion, including but not limited to a person designated by the Monitor to act as the secretary of the Meeting and persons appointed by the Monitor to act as scrutineers at the Meeting;
- (c) The quorum for the Meeting is one unsecured creditor with a Voting Claim;
- (d) Only Creditors with Voting Claims or their duly appointed proxyholders are entitled to vote at the Meeting; provided that, in the event an unsecured creditor holds a Claim that is a Disputed Voting Claim as at the date of the Meeting, such Disputed Voting Claim may be voted at the Meeting (by the applicable unsecured creditor or its proxyholder) but shall be tabulated separately and shall not be counted for any purpose unless, until and to the extent that such Claim is ultimately determined to be a Voting Claim;
- (e) The Monitor shall keep separate tabulations of votes in respect of:
- (i) Voting Claims; and
 - (ii) Disputed Voting Claims, if any;

- (f) The Monitor shall tabulate the vote(s) taken at the Meeting and determine whether the Plan has been accepted by the required majority of the Affected Creditor Class;
- (g) If the approval or non-approval of the Plan may be affected by the votes cast in respect of the Disputed Voting Claims, if any, as determined by the Monitor, Jaguar and the Monitor may seek directions from this Court; and
- (h) The results of the vote conducted at the Meeting (excluding those votes by number and/or value cast in respect of Disputed Voting Claims that are subsequently determined to be without merit or have a lesser value for voting purposes than in accordance with the Claims Procedure) shall be binding on each creditor of Jaguar whether or not such creditor is present in person or by proxy or voting at a meeting.

141. Jaguar may elect to proceed with the Meeting notwithstanding that the resolution of Claims in accordance with the Claims Procedure may not be complete. If the approval of the Plan may be affected by the votes cast in respect of Disputed Voting Claims, if any, then only if the Disputed Claims are ultimately determined to be Voting Claims, in whole or in part, will such Claims, in whole or in part, as applicable, be counted for purposes of determining whether the requisite majority of the Affected Creditor Class have voted to approve the Plan. As a result, the Claims Procedure and the Meeting can proceed in parallel.

VII. Conclusion

142. Jaguar believes that the Plan is the best way to reduce Jaguar's debt levels, increase liquidity for the Jaguar Group's operations and allow the Jaguar Group to make certain necessary capital investments and accelerate operational improvements. Absent the approval of a transaction such as the Plan and expedited implementation, Jaguar will not have sufficient liquidity to continue operations and liquidation would appear to be the likely remaining alternative, with holders of Notes experiencing a significant shortfall in the amounts owed to them. A liquidation would be detrimental to all stakeholders with an economic interest in Jaguar or the Jaguar Group as a whole.

143. The Plan is supported by the Special Committee, the Board of Directors and Noteholders representing approximately 93% of the aggregate principal amount of Notes.

144. Jaguar requests the opportunity to move forward with this Plan on an expedited basis with the Court's assistance.

SWORN BEFORE ME at the City of
Toronto, on December 23, 2013.



Commissioner for Taking Affidavits



DAVID M. PETROFF

TAB B



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.

PLAN SUPPLEMENT

TO THE PLAN OF COMPROMISE AND ARRANGEMENT
DATED DECEMBER 23, 2013
OF
JAGUAR MINING INC.
PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT

DATED FEBRUARY ●, 2014

This is Exhibit B referred to in the
affidavit of J. Douglas Willack
sworn before me, this 2nd
day of February, 2014
[Signature]
A COMMISSIONER, ETC.

NOTICE OF FILING OF PLAN SUPPLEMENT

PLEASE TAKE NOTICE that, pursuant to a Meeting Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated December 23, 2013 (the "Meeting Order") relating to a meeting (the "Meeting") to consider a Plan of Compromise and Arrangement dated December 23, 2013 (as may be modified, amended, varied or supplemented in accordance with its terms, the "Plan") filed by Jaguar Mining Inc. (the "Applicant") pursuant to the provisions of the Companies' Creditors Arrangement Act (Canada) and as set forth in the Plan, the Applicant may, at any time and from time to time amend, restate, modify and/or supplement the Plan with the consent of the Monitor and the Majority Consenting Noteholders (each as defined in the Plan), provided that any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and, if made prior to or at the meeting of creditors to consider the Plan: (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 (as defined in the Plan) 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 order sanctioning the Plan; 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 order sanctioning the Plan.

PLEASE TAKE FURTHER NOTICE that pursuant to the Meeting Order, the Applicant is authorized to make such amendments, modifications and/or supplements to the Information Package (as such term is defined in the Meeting Order) as the Applicant or the Monitor may determine and that notice of such amendments, modifications and/or supplements shall be distributed by the Monitor using the method most reasonably practicable in the circumstances, as the Monitor may determine.

PLEASE TAKE FURTHER NOTICE that this Plan Supplement supplements the Plan and the Information Package with (A) a draft copy of the Articles of Reorganization (as defined in the Plan), (B) the form of Monitor's certificate to be delivered pursuant to Section 12.6 of the Plan, (C) a summary of the escrow arrangements established to administer the Disputed Distribution Claims Reserve (as defined in the Plan); (D) a summary of the escrow arrangements established with the Escrow Agent (as defined in the Plan); (E) a draft of the order sanctioning the Plan; and (F) a copy of the amended and restated Plan, each of which is attached hereto as Exhibit A, B, C, D, E, and F respectively.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this Plan Supplement in conjunction with the Information Circular, the Plan and the Meeting Order.

PLEASE TAKE FURTHER NOTICE that copies of the Plan Supplement as well as the Plan, the Information Circular and the Meeting Order may be obtained from the Monitor's website at <http://cfcanada.fticonsulting.com/jaguar/>.

EXHIBIT A

ARTICLES OF REORGANIZATION

- 6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.
Les conditions que l'ordonnance impose à la réorganisation ont été respectées.

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.
Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.

JAGUAR MINING INC.

Name of Corporation / *Dénomination sociale de la société*

By/
Par :

Signature / *Signature*

Description of Office / *Fonction*

EXHIBIT B

FORM OF MONITOR'S CERTIFICATE

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

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.

Applicant

MONITOR'S CERTIFICATE

RECITALS

- A. Pursuant to an order of the Court dated December 23, 2013 (the "**Initial Order**"), Jaguar Mining Inc. (the "**Applicant**") filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
- B. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed the Monitor of the Applicant (the "**Monitor**") with the powers, duties and obligations set out in the Initial Order.
- C. Also on December 23, 2013, the Applicant sought and the Court granted a Meeting Order and a Claims Procedure Order.
- D. The Applicant has filed a Plan of Compromise and Arrangement under the CCAA, dated December 23, 2013 (as amended, the "**Plan**"), which Plan has been approved by the required majorities of Affected Unsecured Creditors and sanctioned by the Court; and
- E. Unless otherwise indicated herein, initially capitalized terms used herein have the meaning set out in the Plan.

THE MONITOR HEREBY CERTIFIES that it has received written notice from the Applicant and Goodmans LLP (on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties) that the conditions precedent set out in Section 12.3 of the Plan have been satisfied or waived in accordance with the Plan on February ____, 2014 and that the Implementation Date has occurred; and

This Certificate was delivered by the Monitor at _____ [TIME] on February ____, 2014.

FTI CONSULTING CANADA INC., in its capacity as Monitor of Jaguar Mining Inc. and not in its personal or corporate capacity

By: _____

Name:

Title:

EXHIBIT C

SUMMARY OF ARRANGEMENTS RE: DISPUTED DISTRIBUTION CLAIMS RESERVE

Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Plan.

Pursuant to Article 10 of the Plan, distributions of Unsecured Creditor Common Shares in relation to a Disputed Distribution Claim will be held by the Applicant, as agent and legal representative (in such capacity the "**Disputed Distribution Claims Reserve Agent**"), 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 the Plan.

To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with the Plan, the New Common Shares held in the Disputed Distribution Claims Reserve in relation to that Disputed Distribution Claim will be distributed in accordance with Section 10.2(b) of the Plan following direction of the Monitor or the direction of the Court to that effect.

On the date that all Disputed Distribution Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions under Section 10.2(b) have been made, the remaining New Common Shares held in the Disputed Distribution Claims Reserve shall be dealt with in accordance with Section 10.2(c) of the Plan.

The Applicant, as Disputed Distribution Claims Reserve Agent, will hold New Common Shares in the capacity of a legal representative and shall have no beneficial interest or right in those New Common Shares that form the Disputed Distribution Claims Reserve. The Applicant, as Disputed Distribution Claims Reserve Agent, will not take any step or action with respect to the Disputed Distribution Claims Reserve that is not expressly authorized by the written direction of the Monitor or the Court. The Applicant, as Disputed Distribution Claims Reserve Agent, shall have no obligation to, and shall not, vote or permit to be voted those New Common Shares that form the Disputed Distribution Claims Reserve.

Each of the Applicant, the Monitor and the Majority Consenting Noteholders have reserved all of their rights to seek to obtain an Order, whether before or after the Implementation Date, directing that any Disputed Distribution Claim should be disallowed in whole or in part or that such Disputed Distribution Claim should receive the same or similar treatment as is afforded to Equity Claims under the terms of the Plan.

The Disputed Distribution Claims Reserve Agent shall have no duties or responsibilities except to make distributions from the Disputed Distribution Claims Reserve in accordance with the direction of the Monitor or the Court. The Disputed Distribution Claims Reserve Agent shall not be liable for any action taken or omitted in good faith or at the direction of the Monitor or the Court or for any loss or injury resulting from its actions or its performance of its duties in the absence of gross negligence or willful misconduct on its part.

EXHIBIT D**SUMMARY OF ESCROW ARRANGEMENT ESTABLISHED WITH ESCROW AGENT**

Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Plan.

The Applicant and each of the Participating Eligible Investors will appoint ● as the Escrow Agent pursuant to an Escrow Agreement, a draft of which is attached hereto as Schedule "A" (the "Escrow Agreement").

This Exhibit D is provided for summary information purposes only and reference should be had to the Escrow Agreement itself for a full description of the terms of the agreement. In the case of any conflict between this summary and the Escrow Agreement, the Escrow Agreement shall govern.

Following completion of the funding to the Escrow Agent in accordance with the Escrow Agreement, the Plan and the notices received by the Electing Eligible Investors and the Backstop Parties, the Escrow Agent should hold up to US\$50,000,000.

Under the Escrow Agreement, the funds held in escrow will be released as follows:

(i) Subject to clause (ii) below, if the Applicant, following consultation with the Majority Backstop Parties, notifies the Escrow Agent that the Share Offering has become effective in accordance with its terms, the Escrow Agent shall release the funds to, or as may be directed by, the Applicant on the date, time and in the manner set out in such notice to the Escrow Agent.

(ii) If Jaguar, following consultation with the Majority Backstop Parties, notifies the Escrow Agent that the Plan has been terminated, that the Backstop Agreement has been terminated, or that the Share Offering has not become effective in accordance with its terms on or before the Outside Date, the Escrow Agent shall release the applicable funds to each of the Participating Eligible Investors and Funding Backstop Parties as soon as practicable following such notification by the Applicant.

(iii) If Jaguar, following consultation with the Majority Backstop Parties, notifies the Escrow Agent that the Backstop Agreement has been terminated with respect to an individual Backstop Party or that a Participating Eligible Investor is no longer an Electing Eligible Investor under the Plan, the Escrow Agent shall, in each case, release the applicable Escrowed Funds to such Backstop Party or Participating Eligible Investor to the account or address provided on such Backstop Party's or Participating Eligible Investor's Signature Page as soon as practicable following such notification by Jaguar.

(iv) If an Electing Eligible Investor deposits a portion, but not all, of its Electing Eligible Investor Funding Amount by the Electing Eligible Investor Funding Deadline, such party shall cease to be an Electing Eligible Investor as of the Electing Eligible Funding Deadline and the Escrow Agent shall return funds so deposited by such Electing Eligible Investor to such Electing Eligible Investor within five Business Days following the Electing Eligible Investor Funding Deadline.

(v) If any Participating Eligible Investor has funded an amount in excess of its obligations relating to the Share Offering, the Escrow Agent shall pay to such Participating

Eligible Investor such excess amounts as soon as practicable following a determination by Jaguar, in consultation with the Majority Backstop Parties, of such excess amounts and notice thereof being provided by Jaguar to the Escrow Agent.

The Escrow Agent shall keep confidential the identity of each Participating Eligible Investor and Funding Backstop Party and the amounts funded by each such person, except that the Escrow Agent may disclose such information to the Applicant and its representatives and Goodmans LLP subject to certain conditions.

The Escrow Agent shall have no duties or responsibilities except as expressly set forth in the Escrow Agreement. The Escrow Agent shall not be liable for any action taken or omitted in good faith or for any loss or injury resulting from its actions or its performance of its duties in the absence of gross negligence or willful misconduct on its part.

Certain indemnities are provided to the Escrow Agent by the Applicant.

In the event that any action is threatened or instituted against the Escrow Agent, it may seek an interpleader order to deposit the escrowed funds into a court of competent jurisdiction.

The Escrow Agent shall deal with the Escrowed Funds, or any part thereof, at any time in accordance with any directions by Jaguar in writing to the Escrow Agent subject to any statutory obligations to withhold amounts on account of tax.

Schedule "A"
Draft Form of Escrow Agreement

[TO BE PROVIDED IN FINAL VERSION OF PLAN SUPPLEMENT]

EXHIBIT E

DRAFT SANCTION ORDER

[TO BE PROVIDED IN FINAL VERSION OF PLAN SUPPLEMENT]

EXHIBIT F

AMENDED AND RESTATED PLAN

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

**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.

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

JANUARY 31, 2014

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 a plan of compromise and arrangement and to convene a meeting of affected creditors to consider and vote on the plan of compromise and arrangement, as may be amended, restated, modified or supplemented from time to time; 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) This Amended and Restated Plan of Compromise and Arrangement has been filed on January 31, 2014 with the consent of the Majority Consenting Noteholders (as hereinafter defined).
- (D) 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.
- (E) 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;

"Agreed Excluded Director/Officer Litigation Claims" means any claims against a Director and/or Officer that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule "A" hereto, will constitute Excluded Claims for the purposes of this Plan;

"Agreed Excluded Jaguar Litigation Claims" means any claims against Jaguar that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule "B" hereto, will constitute Excluded Claims for the purposes of this Plan;

"Agreed Excluded Litigation" means any proceeding commenced by any Agreed Excluded Litigation Claimant in respect of any Agreed Excluded Litigation Claims, subject to the terms of this Plan;

"Agreed Excluded Litigation Claimants" means any Persons and, if applicable, each of their respective parents, subsidiaries, associated, affiliated and related companies, corporations and Persons, and each of their directors, officers, employees, agents, affiliates, and trustees, that have asserted an Agreed Excluded Director/Officer Litigation Claim and/or an Agreed Excluded Jaguar Litigation Claim, as agreed to by the Majority Consenting Noteholders and the Applicant prior to the Implementation Date and as set out on Schedule "C" hereto;

"Agreed Excluded Litigation Claims" means, collectively, the Agreed Excluded Jaguar Litigation Claims and the Agreed Excluded Director/Officer Litigation Claims;

"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;

"**CRA Claim**" means the claim as described in the proof of claim, dated January 21, 2014, filed by Canada Revenue Agency in the CCAA Proceedings in the amount of \$5,969.13;

"**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, 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 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 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 Defence Costs Indemnity Claim" means any existing or future right of any current director (as at the date of this Plan) of Jaguar who is a defendant to any Agreed Excluded Director/Officer Litigation Claims against Jaguar for indemnification of reasonable defence costs incurred by such current director of Jaguar (whether or not a director of Jaguar at the time such claim for indemnification is made) in connection with defending against such Agreed Excluded Director/Officer Litigation Claims solely to the extent that such defence costs are not covered by insurance and for which such Director or Officer of Jaguar is entitled to be indemnified by 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 (i) 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 or (ii) any Agreed Excluded Litigation Claims and/or any Agreed Excluded Litigation, in each case for which such Director or Officer of Jaguar is entitled to be indemnified by Jaguar, other than a Director Defence Costs Indemnity Claim;

"Director/Officer Insurance Policy" means any insurance policy pursuant to which any Director or Officer is insured, in his or her capacity as a Director or Officer;

"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/SAR 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, the RSU Plan, and/or the SAR 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, provided that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute claims that cannot be compromised pursuant to subsection 19(2) of the CCAA for purposes of this Plan;
- 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;
- xi. the Renvest Claim;
- xii. the Agreed Excluded Director/Officer Litigation Claims;
- xiii. the Agreed Excluded Jaguar Litigation Claims; and
- xiv. the CRA 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;

"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.;

"Jaguar Insurance Policy" means any insurance policy pursuant to which Jaguar is insured and any Director or Officer is insured, in his or her capacity as a Director or Officer;

"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 prior to the Meeting;

"New Board" means the board of directors in place from and after the Implementation Date, 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, but excluding any claims that have been or may be asserted by any Agreed Excluded Litigation Claimants;

"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 Amended and Restated 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;

"SAR Plan" means the Third Amended and Restated Share Appreciation Rights Plan of Jaguar, effective as of December 8, 2010;

"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 claim against any Director and/or Officer 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; and provided further that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute Section 5.1(2) Director/Officer Claims for the purposes of this Plan;

"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 December 19, 2013;

"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 11.1(a)(iii), 11.1(b)(i), 11.2, 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/SAR Notice is delivered, the DSU Plan, the RSU Plan and/or the SAR Plan, as set out in the DSU/RSU/SAR 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 and any Agreed Excluded Director/Officer Litigation Claims; provided that any Section 5.1(2) Director/Officer Claims and any Agreed Excluded Director/Officer Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) Director/Officer Claims or Agreed Excluded Director/Officer Litigation Claims, as applicable, pursuant to the Director/Officer Insurance Policies, and any Persons with any such Section 5.1(2) Director/Officer Claims or Agreed Excluded Director/Officer Litigation Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar, any of its Subsidiaries or any Director or Officer), other than enforcing such Person's rights to be paid from the proceeds of a Director/Officer Insurance Policy by the applicable insurer(s); provided that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of a Director/Officer Insurance Policy or any insured in respect of a Section 5.1(2) Director/Officer Claim or Agreed Excluded Director/Officer Litigation Claim; 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; provided that any Agreed Excluded Jaguar Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Agreed Excluded Jaguar Litigation Claims pursuant to the Jaguar Insurance Policies, and any Persons with any such Agreed Excluded Jaguar Litigation Claims against the Applicant shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar, any of its Subsidiaries or any Director or Officer), other than enforcing such Person's rights to be paid from the proceeds of a Jaguar Insurance Policy by the applicable insurer(s); provided further that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of a Jaguar Insurance Policy or any insured in respect of an Agreed Excluded Jaguar Litigation Claim; or
- (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, the Named Directors and Officers 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, the Named Directors and Officers 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, the Named Directors and Officers 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, the Named Directors and Officers 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. For greater certainty, the provisions of this Section 11.2 shall apply to Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and Agreed Excluded Jaguar Litigation Claims in the same manner as Released Claims, except to the extent that the rights of a holder of such Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and/or Agreed Excluded Jaguar Litigation Claims to enforce such claims against an insurer in respect of a Directors/Officer Insurance Policy and/or a Jaguar Insurance Policy, as applicable, are expressly preserved pursuant to Section 11.1(a)(iii) and/or Section 11.1(b)(i) hereof.

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 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:
 - (i) any defaults or events of default arising as a result of the insolvency of the Applicant 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 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, the RSU Plan and the SAR 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 (which for greater certainty include the conditions set out in sections 9(a), (b) and (c) of 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 (which for greater certainty include the conditions set out in sections 7(a), (b) and (c) of the Backstop Agreement) shall have been satisfied or waived in accordance with their terms, and the Backstop Agreement shall not have been terminated;
- (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; and
- (n) No insurer under a Director/Officer Insurance Policy or a Jaguar Insurance Policy shall have an unresolved objection, filed in the CCAA Proceedings, to the implementation of this Plan.

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 Applicant (or counsel on its behalf) and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties 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 Applicant and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties, 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

FTI Consulting Canada Inc. is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Applicant and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicant under the Plan or otherwise.

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: Walled Soliman and Evan Cobb
Fax: (416) 216-3930
Email: walled.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:

Osler, 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.

Schedule "A"

Agreed Excluded Director/Officer Litigation Claims

Schedule "B"

Agreed Excluded Jaguar Litigation Claims

Schedule "C"

Agreed Excluded Litigation Claimants

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.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF T. DOUGLAS WILLOCK
(SWORN FEBRUARY 2, 2014)**

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

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Fax: 416.216.3930

Lawyers for the Applicant, Jaguar Mining Inc.

TAB 3

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

**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")

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

DECEMBER 2, JANUARY 31, 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, as may be amended, restated, modified or supplemented from time to time; 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) This Amended and Restated Plan of Compromise and Arrangement has been filed on January 31, 2014 with the consent of the Majority Consenting Noteholders (as hereinafter defined).

(D) (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.

(E) (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;

"Agreed Excluded Director/Officer Litigation Claims" means any claims against a Director and/or Officer that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule "A" hereto, will constitute Excluded Claims for the purposes of this Plan;

"Agreed Excluded Jaguar Litigation Claims" means any claims against Jaguar that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule "B" hereto, will constitute Excluded Claims for the purposes of this Plan;

"Agreed Excluded Litigation" means any proceeding commenced by any Agreed Excluded Litigation Claimant in respect of any Agreed Excluded Litigation Claims, subject to the terms of this Plan;

"Agreed Excluded Litigation Claimants" means any Persons and, if applicable, each of their respective parents, subsidiaries, associated, affiliated and related companies, corporations and Persons, and each of their directors, officers, employees, agents, affiliates, and trustees, that have asserted an Agreed Excluded Director/Officer Litigation Claim and/or an Agreed Excluded Jaguar Litigation Claim, as agreed to by the Majority Consenting Noteholders and the Applicant prior to the Implementation Date and as set out on Schedule "C" hereto;

"Agreed Excluded Litigation Claims" means, collectively, the Agreed Excluded Jaguar Litigation Claims and the Agreed Excluded Director/Officer Litigation Claims;

"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;

"CRA Claim" means the claim as described in the proof of claim, dated January 21, 2014, filed by Canada Revenue Agency in the CCAA Proceedings in the amount of \$5,969.13;

"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, 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 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 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 Defence Costs Indemnity Claim" means any existing or future right of any current director (as at the date of this Plan) of Jaguar who is a defendant to any Agreed Excluded Director/Officer Litigation Claims against Jaguar for indemnification of reasonable defence costs incurred by such current director of Jaguar (whether or not a director of Jaguar at the time such claim for indemnification is made) in connection with defending against such Agreed Excluded Director/Officer Litigation Claims solely to the extent that such defence costs are not covered by insurance and for which such Director or Officer of Jaguar is entitled to be indemnified by 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 (i) 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 or (ii) any Agreed Excluded Litigation Claims and/or any Agreed Excluded Litigation, in each case for which such Director or Officer of Jaguar is entitled to be indemnified by Jaguar, other than a Director Defence Costs Indemnity Claim;

"Director/Officer Insurance Policy" means any insurance policy pursuant to which any Director or Officer is insured, in his or her capacity as a Director or Officer;

"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/SAR 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, the RSU Plan, and/or the RSUSAR 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, provided that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute claims that cannot be compromised pursuant to subsection 19(2) of the CCAA for purposes of this Plan;
- 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;
- xii. the Agreed Excluded Director/Officer Litigation Claims;
- xiii. the Agreed Excluded Jaguar Litigation Claims; and
- xiv. the CRA 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.;

"Jaguar Insurance Policy" means any insurance policy pursuant to which Jaguar is insured and any Director or Officer is insured, in his or her capacity as a Director or Officer;

"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 in place from and after the Sanction Order Implementation Date, 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, but excluding any claims that have been or may be asserted by any Agreed Excluded Litigation Claimants;

"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~~ Amended and Restated 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);

"Reinvest 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;

"SAR Plan" means the Third Amended and Restated Share Appreciation Rights Plan of Jaguar, effective as of December 8, 2010;

"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 claim against any Director and/or 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, and provided further that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute Section 5.1(2) Director/Officer Claims for the purposes of this Plan;

"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~~ December 19, 2013;

"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 11.1(a)(iii), 11.1(b)(i), 11.2, 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/SAR Notice is delivered, the DSU Plan, the RSU Plan and/or the RSUSAR Plan, as set out in the DSU/RSU/SAR 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 and any Agreed Excluded Director/Officer Litigation Claims; provided that any Section 5.1(2) Director/Officer Claims against any Named Directors and Officers and any Agreed Excluded Director/Officer Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) Director/Officer Claims or Agreed Excluded Director/Officer Litigation Claims, as applicable, pursuant to the Director/Officer Insurance Policies, and any Persons with any such Section 5.1(2) Director/Officer Claims against Named Directors and Officers or Agreed Excluded Director/Officer Litigation Claims 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 or any Director or Officer), other than enforcing such Person's rights to be paid from the proceeds of any Director/Officer Insurance Policy by the applicable insurer(s); provided that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of a Director/Officer Insurance Policy or any insured in respect of a

Section 5.1(2) Director/Officer Claim or Agreed Excluded Director/Officer Litigation Claim; 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; provided that any Agreed Excluded Jaguar Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Agreed Excluded Jaguar Litigation Claims pursuant to the Jaguar Insurance Policies, and any Persons with any such Agreed Excluded Jaguar Litigation Claims against the Applicant shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar, any of its Subsidiaries or any Director or Officer), other than enforcing such Person's rights to be paid from the proceeds of a Jaguar Insurance Policy by the applicable insurer(s); provided further that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of a Jaguar Insurance Policy or any insured in respect of an Agreed Excluded Jaguar Litigation Claim; or
- (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 willful 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, the Named Directors and Officers 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, the Named Directors and Officers 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, the Named Directors and Officers 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, the Named Directors and Officers 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. For greater certainty, the provisions of this Section 11.2 shall apply to Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and Agreed Excluded Jaguar Litigation Claims in the same manner as Released Claims, except to the extent that the rights of a holder of such Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and/or Agreed Excluded Jaguar Litigation Claims to enforce such claims against an insurer in respect of a Directors/Officer Insurance Policy and/or a Jaguar Insurance Policy, as applicable, are expressly preserved pursuant to Section 11.1(a)(iii) and/or Section 11.1(b)(i) hereof.

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~~ 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:
 - (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, the RSU Plan and the RSUSAR 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 (which for greater certainty include the conditions set out in sections 9(a), (b) and (c) of 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 (which for greater certainty include the conditions set out in sections 7(a), (b) and (c) of 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; and
- (n) No insurer under a Director/Officer Insurance Policy or a Jaguar Insurance Policy shall have an unresolved objection, filed in the CCAA Proceedings, to the implementation of this Plan.

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) its behalf and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties 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 Applicant and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties, 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 FTI Consulting Canada Inc. is acting in its capacity as Monitor in the CCAA Proceedings and this Plan with respect to the Applicant and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicant under the Plan or otherwise.~~

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:

Osler, 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.

Schedule "A"

Agreed Excluded Director/Officer Litigation Claims

Schedule "B"

Agreed Excluded Jaguar Litigation Claims

Schedule "C"

Agreed Excluded Litigation Claimants

TAB 4

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	THURSDAY, THE 6TH
)	
MR. JUSTICE MORAWETZ)	DAY OF FEBRUARY, 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
(Plan Sanction)**

THIS MOTION made by Jaguar Mining Inc. (the "**Applicant**") for an Order (the "**Sanction Order**") approving and sanctioning the amended and restated plan of compromise and arrangement dated January 31, 2014 (and as it may be further amended, restated, modified or supplemented from time to time in accordance with its terms) (the "**Plan**"), as approved by the Affected Unsecured Creditors of the Applicant on January 31, 2014, and which Plan is attached as Schedule "A" to this Sanction Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the within Notice of Motion, the Affidavit of T. Douglas Willock sworn February 2, 2014, the Third Report of FTI Consulting Canada Inc., in its capacity as Monitor (in such capacity, the "**Monitor**"), dated February 3, 2014, (the "**Third Report**"), the Second Report of the Monitor dated January 24, 2014 (the "**Second Report**") and upon hearing the

submissions of counsel for the Applicant, the Monitor, the Ad Hoc Committee (as defined in the Plan), Global Resource Fund, Daniel Titcomb et al. and such other interested parties as were present, no one else appearing although duly served as appears from the affidavit of service of ● sworn ●, and upon being advised by counsel to the Applicant prior to this motion that the Sanction Order will be relied upon by the Applicant as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof for the issuance of the Unsecured Creditor Common Shares and the Early Consent Shares to the extent they may be deemed to be securities,

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall be as defined in the Plan and in the Meeting Order granted in this proceeding on December 23, 2013 (the "**Meeting Order**"), as applicable.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in support of this Motion and the Third Report be and is hereby abridged and validated, such that this Motion is properly returnable today and that any further service of the Notice of Motion, the Motion Record or the Third Report is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice of the Plan, the Meeting Order and the Information Package to all Persons upon which notice, service and delivery were required, and that the Meeting was duly conducted in conformity with the *Companies' Creditors Arrangement Act* (the "**CCAA**") and all

other Orders of this Court in this proceeding (the “**CCAA Proceeding**”).

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:

- a) the relevant class of creditors of the Applicant for the purposes of voting to approve the Plan is the Affected Creditor Class;
- b) the Plan has been approved by the Required Majority of Affected Unsecured Creditors, all in conformity with the CCAA and the terms of the Meeting Order;
- c) the Court is satisfied that the Applicant has acted, and is acting, in good faith and with due diligence, and has complied with the provisions of the CCAA and the Orders of this Court made in the CCAA Proceedings in all respects;
- d) the Court is satisfied that the Applicant has not done nor has it purported to do anything that is not authorized by the CCAA; and
- e) the Plan, all terms and conditions thereof, and the matters and the transactions contemplated thereby, are fair and reasonable to the parties affected.

5. **THIS COURT ORDERS AND DECLARES** that the Plan (including, without limitation, the transactions, arrangements, reorganizations, assignments, cancellations, compromises, settlements, extinguishments, discharges, injunctions and releases set out therein) is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS** that on the Implementation Date, the Plan (including, without limitation, the transactions, arrangements, reorganizations, assignments, cancellations, compromises, settlements, extinguishments, discharges, injunctions and releases set out therein) shall be, and shall be deemed to be, implemented, binding and effective in accordance with the provisions of the Plan as of the Implementation Date at the Implementation Time, or at such other time or times and in the manner set forth in the Plan, and shall enure to the benefit of and shall be binding on the Applicant, the Affected Unsecured Creditors, all Existing Equity Holders, all holders of Equity Claims, the Released Parties, the Noteholder Released Parties, the Directors and Officers, all holders of Director/Officer Indemnity Claims, all holders of Director/Officer Claims, all holders of Released Claims and all holders of Noteholder Released Claims and all other Persons named or referred to in, affected by, or subject to the Plan, including, without limitation, their respective heirs, administrators, executors, legal personal representatives, successors and assigns, as provided for in the Plan and this Sanction Order.

7. **THIS COURT ORDERS** that the Applicant and the Monitor, as the case may be, are hereby authorized and directed to take all steps and actions necessary or appropriate (as determined by the Applicant or the Monitor, as applicable, in consultation with the Ad Hoc Committee) to implement the Plan in accordance with and subject to its terms and conditions, and enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the Plan, and such steps and actions are hereby approved. Neither the Applicant nor the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and this Sanction Order.

8. **THIS COURT ORDERS** that upon the satisfaction or waiver, as applicable, of the conditions set out in Section 12.3 of the Plan in accordance with the terms of the Plan, as confirmed by the Applicant (or counsel on its behalf) and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties, to the Monitor in writing, the Monitor is authorized and directed to deliver to the Applicant (or counsel on its behalf) and Goodmans LLP a certificate, substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), signed by the Monitor, certifying that all conditions precedent set out in Section 12.3 have been satisfied or waived and that the Implementation Date has occurred. The Monitor shall promptly file the Monitor's Certificate with this Court.

9. **THIS COURT ORDERS** that the steps to be taken and the transactions, arrangements, reorganizations, assignments, cancellations, compromises, settlements, extinguishments, discharges, injunctions and releases to be effected on the Implementation Date are and shall be deemed to occur and be effected in the sequential order and at the times contemplated by Section 7.4 of the Plan, without any further act or formality, on the Implementation Date beginning at the Implementation Time.

10. **THIS COURT ORDERS AND DECLARES** that the Applicant, the Monitor, the Majority Consenting Noteholders and the Majority Backstop Parties are hereby authorized and empowered to exercise all consent and approval rights provided for in the Plan in the manner set forth in the Plan, whether prior to or after the Implementation Date.

11. **THIS COURT ORDERS** that the Applicant, the Monitor, the Trustees, DTC, the Transfer Agent, the Escrow Agent and any other Person required to make any distributions, deliveries or allocations or take any steps or actions related thereto pursuant to the Plan are hereby authorized and directed to complete such distributions, deliveries or allocations and to take any such related steps or actions, as the case may be, in accordance with the terms of

the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved.

12. **THIS COURT ORDERS** that, subject to the payment of any amounts secured by the Charges (as such term is defined in the Initial Order) that remain owing on the Implementation Date, if any, each of the Charges shall be terminated, discharged and released on the Implementation Date.

EFFECT OF PLAN IMPLEMENTATION

13. **THIS COURT ORDERS** that subject to the performance by the Applicant of its obligations under the Plan, and except to the extent expressly contemplated by the Plan or this Sanction Order, all obligations or agreements to which the Applicant is party immediately prior to the Implementation Date will be and 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 in accordance with the Plan, and no Person who is a party to any such obligations or agreements shall, following the Implementation Date, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise disclaim or repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy (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 financial condition or insolvency of the Applicant on or prior to the Implementation Date;
- (b) the fact that the Applicant has sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicant;
- (c) any changes in share ownership of the Applicant arising from implementation of the

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);

- (d) the effect on the Applicant of the completion of any of the transactions contemplated by the Plan;
- (e) any compromises, settlements, restructurings, recapitalizations, reorganizations or arrangements effected pursuant to the 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 shall waive, compromise or discharge any obligations of the Applicant in respect of any Excluded Claim.

14. **THIS COURT ORDERS** that from and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant or caused by the Applicant or any of the provisions of the Plan or this Sanction Order or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, real property lease, personal property lease or other agreement, written or oral, and any amendments or supplements thereto, existing between such Person and the Applicant. Any and all notices of default, acceleration of payments and demands for payments under any instrument, or other notices, including without limitation, any notices of intention to proceed to enforce security, arising from any of such aforesaid defaults shall be deemed to have been

rescinded and withdrawn.

15. **THIS COURT ORDERS** that, as of the Implementation Date, each Affected Unsecured Creditor, each holder of a Director/Officer Indemnity Claim, each holder of a Director/Officer Claim, each holder of an Equity Claim and any person having any other Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each Affected Unsecured Creditor, each holder of a Director/Officer Indemnity Claim, each holder of a Director/Officer Claim, each holder of an Equity Claim and any person having any other Released Claim shall be deemed:

- (a) to have granted, executed and delivered to the Monitor and the Applicant all consents, releases, assignments, waivers or agreements, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Unsecured Creditor, holder of a Director/Officer Indemnity Claim, holder of a Director/Officer Claim, holder of an Equity Claim and any person having any other Released Claim and the Applicant as of the Implementation Date and the provisions of the Plan, the provisions of the Plan take precedence and priority, and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

16. **THIS COURT ORDERS** that pursuant to Section 6(2) of the CCAA, the articles of the Applicant shall be amended on the Implementation Date in accordance with the Articles of Reorganization.

17. **THIS COURT ORDERS** that (i) in accordance with the Articles of Reorganization,

substantially in the form of Schedule "C" hereto, any fractional Common Shares immediately following the consolidation of Common Shares pursuant to section Section 7.4(a) of the Plan shall be cancelled without any liability, payment or other compensation in respect thereof; and (ii) the Rights, Shareholder Rights Plan, Existing Share Options, Stock Option Plan (and for greater certainty, not including any Existing Common Shares that remain issued and outstanding immediately following the cancellation of fractional interests pursuant to Section 7.4(a) of the Plan) shall be cancelled without any liability, payment or other compensation in respect thereof.

18. **THIS COURT ORDERS** that the New Common Shares shall be deemed to be issued and outstanding as fully-paid and non-assessable shares in the capital of the Applicant, on the Implementation Date and at the time specified in Section 7.4 of the Plan.

19. **THIS COURT ORDERS** that, on the Implementation Date, following completion of the steps in the sequence set forth in Section 7.4 of the Plan, all debentures, notes, certificates, agreements, invoices and other instruments evidencing Affected Unsecured Claims (including for greater certainty the Notes and the Indentures) shall not entitle the holder thereof to any compensation or participation and shall be and are hereby deemed to be cancelled and shall be and are hereby deemed to 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 with respect to the Trustees' claims, which section 6.07 of the Indentures 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.

RELEASES AND INJUNCTIONS

20. **THIS COURT ORDERS** that, subject to paragraph 21 of this Sanction Order, on the Implementation Date, in accordance with section 11.1 of the Plan and the sequence set forth in section 7.4 of the Plan, the Released Parties, the Named Directors and Officers and the Noteholder Released Parties shall be released and discharged from any and all Released Claims and any and all Noteholder Released Claims, as applicable, and any and all Released Claims and Noteholder Released Claims shall be fully, finally and irrevocably waived, discharged, released, cancelled and barred as against the Released Parties, the Named Directors and Officers and the Noteholder Released Parties, as applicable, all to the fullest extent permitted by Applicable Law.

21. **THIS COURT ORDERS** that, notwithstanding paragraph 20 of this Sanction Order, Continuing Other Director/Officer Claims and Non-Released Director/Officer Claims and, for greater certainty, Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and Agreed Excluded Jaguar Litigation Claims shall not be compromised, released, discharged, cancelled or barred by this Sanction Order or the Plan, provided that from and after the Implementation Date: (i) any Person having, or claiming any entitlement or compensation relating to, a Section 5.1(2) Director/Officer Claim or an Agreed Excluded Director/Officer Litigation Claim will be irrevocably limited to recovery in respect of such Section 5.1(2) Director/Officer Claim or Agreed Excluded Director/Officer Litigation Claim solely from the proceeds of applicable Director/Officer Insurance Policies and Persons with Section 5.1(2) Director/Officer Claims and Agreed Excluded Director/Officer Litigation Claims will have no right to, and shall not, directly or indirectly, make any claims or seek any recoveries from the Applicant, any of the Subsidiaries, any of the Directors or Officers, or any other Released Party or Noteholder Released Party, other than enforcing such Person's rights

to be paid by the applicable insurer(s) the proceeds of the applicable Director/Officer Insurance Policies; and (ii) any Person having, or claiming any entitlement or compensation relating to, an Agreed Excluded Jaguar Litigation Claim will be irrevocably limited to recovery in respect of such Agreed Excluded Jaguar Litigation Claim solely from the proceeds of applicable Jaguar Insurance Policies and Persons with Agreed Excluded Jaguar Litigation Claims will have no right to, and shall not, directly or indirectly, make any claims or seek any recoveries from the Applicant, any of the Subsidiaries, any of the Directors or Officers, or any other Released Party or Noteholder Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) the proceeds of the applicable Jaguar Insurance Policies.

22. **THIS COURT ORDERS** that all Persons shall be permanently and forever barred, estopped, stayed and enjoined, from and after the Implementation Time, with respect to any and all Released Claims and 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, the Named Directors and Officers 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, the Named Directors and Officers and the Noteholder Released Parties or their respective 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, the Named Directors and Officers 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, the Named Directors and Officers and the Noteholder Released Parties or their respective property; or (iv) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

23. **THIS COURT ORDERS** that paragraph 22 shall apply to Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and Agreed Excluded Jaguar Litigation Claims in the same manner as Released Claims, except to the extent that the rights of a holder of such Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and/or Agreed Excluded Jaguar Litigation Claims to enforce such claims against an insurer in respect of a Directors/Officer Insurance Policy and/or a Jaguar Insurance Policy, as applicable, are expressly preserved pursuant Section 11.1(a)(iii) and/or Section 11.1(b)(i) of the Plan.

24. **THIS COURT ORDERS** that nothing in this Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of (i) any insurer in respect of a Director/Officer Insurance Policy or a Jaguar Insurance Policy, or (ii) any insured in respect of a Section 5.1(2) Director/Officer Claim, an Agreed Excluded Director/Officer Litigation Claim or an Agreed Excluded Jaguar Litigation Claim.

INITIAL CCAA ORDER AND OTHER ORDERS

25. **THIS COURT ORDERS** that:

- (a) other than as expressly set out herein, the provisions of the Initial Order shall terminate, including the Stay Period (as defined in the Initial Order), on the Implementation Date except to the extent of the protections granted therein in favour of the Monitor; and
- (b) all other Orders made in the CCAA Proceeding shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or are inconsistent with this Sanction Order or any further Order of this Court.

THE MONITOR

26. **THIS COURT ORDERS** that the activities and conduct of the Monitor in relation to the Applicant, the CCAA Proceedings, and in conducting and administering the Meeting on January 31, 2014 (as more particularly described in the Third Report) be and are hereby ratified and approved.

27. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated December 23, 2013 (the "**Pre-Filing Report**"), the First Report of the Monitor dated January 13, 2014 (the "**First Report**"), the Second Report and the Third Report and the conduct and activities of the Monitor as described therein are hereby approved.

28. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and Osler, Hoskin & Harcourt LLP, as counsel to the Monitor, as described in the Third Report be and are hereby approved.

29. **THIS COURT ORDERS AND DECLARES** that the Monitor has satisfied all of its obligations up to and including the date of this Sanction Order, and that: (i) in carrying out the terms of this Sanction Order and the Plan and in performing its duties as Monitor in the CCAA Proceedings, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Meeting Order and the Claims Procedure Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation for any act or omission as a result of carrying out the provisions of this Sanction Order and the Plan and in performing its duties as Monitor in the CCAA Proceedings, 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, or with respect to any such information disclosed to or provided by the Monitor, including with respect to reliance thereon by any Person.

30. **THIS COURT ORDERS** that any claims against the Monitor in connection with the performance of its duties as Monitor are hereby released, stayed, extinguished and forever barred and the Monitor shall have no liability in respect thereof.

31. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave pursuant to an order of this Court made on prior written notice to the Monitor and provided any such order granting leave includes a term granting the Monitor security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

32. **THIS COURT ORDERS** that as of the Implementation Time, the Monitor shall be

discharged and released from its duties other than those obligations, duties and responsibilities (i) necessary or required to give effect to the terms of the Plan and this Sanction Order, (ii) in relation to the claims procedure and all matters relating thereto as set out in the Claims Procedure Order, and (iii) in connection with the completion by the Monitor of all other matters for which it is responsible in connection with the Plan or pursuant to the Orders of this Court made in the CCAA Proceeding.

33. **THIS COURT ORDERS** that upon completion by the Monitor of its duties in respect of the Applicant pursuant to the CCAA, the Plan and the Orders of this Court (including this Sanction Order), the Monitor is authorized to file with the Court a certificate stating that all of its duties in respect of the Applicant pursuant to the CCAA, the Plan and the Orders of this Court (including this Sanction Order) have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor.

GENERAL PROVISIONS

34. **THIS COURT ORDERS** that the Applicant, the Monitor and any other interested parties are hereby granted leave to apply to this Court for such further advice, directions or assistance as may be necessary to give effect to the terms of the Plan.

EFFECT, RECOGNITION AND ASSISTANCE

35. **THIS COURT ORDERS** that this Sanction Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom it may apply.

36. **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 Sanction Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Sanction 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 Sanction 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 Sanction Order.

37. **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 Sanction Order and for assistance in carrying out the terms of this Sanction Order, and that the Monitor is authorized and empowered to act as a representative in respect of the CCAA Proceedings for the purpose of having the CCAA Proceedings recognized in a jurisdiction outside Canada.

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)

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

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

Proceeding commenced at Toronto

**ORDER
(PLAN SANCTION)**

Norton Rose Fulbright Canada LLP
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Lawyers for the Applicant, Jaguar Mining Inc.

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

MOTION RECORD

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Lawyers for the Applicant,
Jaguar Mining Inc.