



## **JAGUAR CALLS FOR HUSBAY BOARD TO PROVIDE TRANSPARENCY ON EXECUTIVE COMPENSATION AND THE ROLE OF INDEPENDENT DIRECTORS**

TORONTO, CANADA – December 11, 2008 – Jaguar Financial Corporation (“**Jaguar**”) (TSX: JFC) today called for disclosure of executive compensation arrangements and the process followed by independent directors of HudBay Minerals Inc. (“**HudBay**”) (TSX: HBM) that resulted in the ill-advised proposed transaction with Lundin Mining Corporation (“**Lundin**”) (TSX:LUN).

As a shareholder of HudBay, Jaguar believes the serious mispricing of the agreement with Lundin (the “**Lundin Transaction**”) raises obvious questions about the motivations of those responsible. It appears that neither Allen Palmiere nor, more surprisingly, the independent directors of HudBay put the best interests of HudBay shareholders first when considering the Lundin Transaction.

The current Board of Directors appears to be complicit in Mr. Palmiere’s actions through a lack of independent oversight and proper corporate governance. The HudBay Board has also not provided shareholders with basic information about the compensation they, as stewards of HudBay, are paying Mr. Palmiere. Further, the Board has provided no information about the process followed by the independent directors Mr. M. Norman Anderson, Dr. Lloyd Axworthy, Mr. John Bowles, Mr. Ronald Gagel, and Mr. R. Peter Gillin in approving the value-destroying Lundin Transaction. Jaguar and other concerned HudBay shareholders believe that the independent directors should address the errors made in pursuing the Lundin Transaction by putting the matter before HudBay shareholders for a vote.

### **Compensation Issues**

HudBay’s Board has chosen to disclose as little as possible to shareholders related to Mr. Palmiere’s compensation package. The management information circular for HudBay, dated April 30, 2008, discloses the compensation of senior officers only for 2007 and Mr. Palmiere was appointed CEO in January 2008. As a result, shareholders do not know what Mr. Palmiere will earn in the form of salary, change of control payments or a transaction bonus. It is unlikely that there will be public disclosure of Mr. Palmiere’s compensation package for several more months because HudBay has so far refused to have a shareholders’ meeting to consider the Lundin Transaction.

It is possible that Mr. Palmiere may receive a substantial special transaction bonus, as Colin Benner did for the sale of Skye Resources Inc. (“**Skye**”) to HudBay. Mr. Benner, currently a director of both HudBay and Lundin, earned total compensation of \$6,923,000 resulting from the sale of Skye. As well, shareholders should be aware that Mr. Palmiere has virtually no equity interest in HudBay, and therefore his interests are not aligned with those of shareholders.

“Shareholders are entitled to know what compensation Mr. Palmiere is receiving for this transaction, what he will receive on the termination of his employment including any change of control compensation, and what he expects to be paid as CEO of the combined company. He should be accountable to HudBay shareholders,” said Vic Alboini, Chairman and Chief Executive Officer of Jaguar.

### **Role of the Independent Directors**

Based on HudBay’s public disclosure, the Special Committee of the HudBay Board appears to have held only one meeting in the months leading up to the signing of the Arrangement Agreement. No other information about the role of the independent directors in the process that led to the proposed transaction has been disclosed. Given the drastic effect of the Lundin Transaction, the independent directors appear to have given it very little consideration.

“The reality is that unless a HudBay shareholders’ meeting is held, shareholders will not have the opportunity to review the background to this transaction, evaluate the due diligence that was actually performed and assess the process followed by the independent directors,” added Mr. Alboini.

### **Concerned HudBay Shareholders**

Jaguar has been contacted by various shareholders of HudBay expressing their views about the Lundin Transaction and the need for a shareholder meeting. Jaguar encourages all concerned shareholders of HudBay to e-mail Jaguar at [info@jaguarfinancial.ca](mailto:info@jaguarfinancial.ca) or contact any of the following at Jaguar to share their opinions:

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### **About Jaguar**

Jaguar is a Canadian merchant bank that invests in a variety of industry sectors and specializes in undervalued small capitalization companies.

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For additional information on this press release, please contact: Vic Alboini, Chairman & Chief Executive Officer 416.644.8110 or Kyler Wells, General Counsel & Corporate Secretary 416.644.8177