



JAGUAR COMMENCES LEGAL ACTION AGAINST KINBAURI DIRECTORS AND OTHER PARTIES

Toronto, Ontario, May 20, 2009 – Jaguar Financial Corporation (TSX: JFC) (“Jaguar”) today announced that it has commenced an application in the Ontario Superior Court of Justice against Kinbauri Gold Corp. (“Kinbauri”, TSX-V: KNB) and its wholly owned subsidiary Kinbauri Espana S.L. (“Kinbauri Espana”), the directors of Kinbauri, Glen Eagle Resources Inc. (“Glen Eagle”, TSX-V: GER) and Paradise Peak Holdings on the basis, among other things, that the business and affairs of Kinbauri have been conducted in a manner that is oppressive, unfairly prejudicial to, and which unfairly disregards the interests of, Kinbauri shareholders.

Jaguar owns 4,830,500 common shares of Kinbauri, representing approximately 9.1 percent of Kinbauri’s issued and outstanding shares.

Basis for Oppression Claim

On the morning of May 11, 2009, Orvana Minerals Corp. (“Orvana”, TSX: ORV) announced its intention to commence an all cash take-over bid for Kinbauri for \$0.55 per Kinbauri share (the “Orvana Offer”).

Later that morning, Kinbauri issued a press release indicating that its Board had unanimously rejected the Orvana Offer. There was no evidence that the Kinbauri Directors obtained a fairness opinion or other independent financial or legal advice on which to base their rejection of the Orvana Offer.

On May 12, 2009, Kinbauri announced that it had entered into a definitive agreement to complete a transaction on or about May 29, 2009, with Glen Eagle, essentially a public shell company, whereby Kinbauri will sell up to half of its subsidiary and affiliate, Kinbauri Espana, to Glen Eagle (the “Glen Eagle Transaction”) for \$5.9 million and the advance of a shareholder loan by Glen Eagle to Kinbauri Espana in the amount of \$31.1 million. Kinbauri made this decision notwithstanding that Orvana had publicly announced that the Orvana Offer would be conditional upon Kinbauri not completing the Glen Eagle Transaction. Kinbauri does not plan to seek shareholder approval of the Glen Eagle Transaction.

As a result of the proposed condition of the Orvana Offer, Kinbauri shareholders will be deprived of the opportunity to respond to the Orvana Offer if the Glen Eagle Transaction is completed. Jaguar therefore believes that the decision to proceed with the Glen Eagle Transaction in the face of the Orvana Offer constitutes an impermissible defensive tactic designed to defeat the Orvana Offer. Jaguar believes that this is contrary to the reasonable expectations of all Kinbauri shareholders that are unrelated to management, and is therefore oppressive.

Because the Glen Eagle Transaction would entail the disposition of 50 percent of the El Valle Project, Jaguar also believes that the completion of this transaction would deter any other otherwise interested parties from making a competing bid for Kinbauri.

Jaguar therefore seeks orders from the court, among other things, restraining or setting aside the Kinbauri Transaction so as to ensure that shareholder value is maximized through an appropriate competitive bidding process, now that Kinbauri is “in play”.

The Private Placement

On May 13, 2009, the Kinbauri Board announced that it intended to complete a proposed private placement of up to 6 million units comprising one common share and one-half of one common share purchase warrant at a price of \$0.50 per unit. Without allocating any value to the warrants, this is a 9% discount to the Orvana Offer. If completed, up to 9 million additional common shares would be issued under the proposed private placement. Jaguar believes that making such a proposal in the face of the Orvana Offer is inappropriate.

The Proposed Glen Eagle Financing is Inadequate

Virtually no disclosure has been made about the proposed Glen Eagle Transaction. Given that Kinbauri proposes to sell up to 50% of Kinbauri Espana, Kinbauri’s primary asset, Jaguar believes that it is inappropriate for shareholders to be kept in the dark about the terms of the financing and to have no vote on a transaction that involves significantly diluting Kinbauri’s interest in its primary asset.

Glen Eagle, which has a market capitalization of less than \$3.5 million, has disclosed that it intends to fund its proposed investment in Kinbauri Espana by borrowing at least \$32 million from an unnamed “European consortium” in the form of a credit facility to Glen Eagle and its partner, Paradise Peak.

Kinbauri has not publicly disclosed essential terms of its agreement with Glen Eagle, nor has Glen Eagle publicly disclosed the material terms of its agreement with the unnamed “European consortium”.

Based on Kinbauri’s public disclosure, Glen Eagle will invest up to \$37 million to acquire a 50% stake in Kinbauri Espana. Approximately \$5.9 million of this amount will be used to acquire a 50% equity stake in Kinbauri Espana while the remainder will be advanced in the form of shareholder loans. As Kinbauri has disclosed that Espana has approximately 2.6 million ounces of gold equivalent resources, this means that Kinbauri is selling 1.3 million ounces of gold to Glen Eagle for \$5.9 million in cash, a cost per ounce of less than \$4.60. The disclosure by Kinbauri that “Glen Eagle will invest C\$32M to acquire a 45% interest in Kinbauri Espana S.L.” is inaccurate at best. The fact that 84% of the \$37 million will be in the form of shareholder loans poses a significant risk to Kinbauri shareholders, particularly given the paucity of disclosure about the source of Glen Eagle’s funding.

Vic Alboini, Chairman and Chief Executive Officer of Jaguar stated: “It is highly inappropriate that the Kinbauri Board would try to force the Glen Eagle financing through on these terms without a shareholder vote, particularly when the company is in play. The Directors should focus their efforts on conducting an auction to maximize value for all shareholders.”

About Jaguar Financial Corporation

Jaguar is a Canadian merchant bank that invests in undervalued small and mid-cap companies in a variety of industry sectors.

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