



JAGUAR FINANCIAL REPORTS SECOND QUARTER OF FISCAL 2007 RESULTS

TORONTO, CANADA – August 13, 2007 – Jaguar Financial Inc. (“Jaguar” or the “Company”) (TSX: JFI) today reported results for its second quarter and six months ended June 30, 2007 of its 2007 fiscal year. Net income for the quarter was \$779,803, primarily relating to unrealized gains on the Company’s investment portfolio. This compared to a net loss of \$441,780 in 2006. For the six months ended June 30, 2007, net income was \$62,891 compared to net income of \$1,622,935 in 2006. The 2006 net income was as a result of a gain on the sale of the Company’s wholly owned Guatemalan subsidiary, Jaguar Nickel, S.A.

For the three months ended June 30, 2007 the Company generated a net gain on investments of \$1,217,936, of which \$1,225,150 was unrealized. There is no comparative result for 2006, given the Company’s change in business to that of a merchant bank in the first quarter of the current year. The net unrealized gain on investments in Q2 of 2007 was due to an increase in the market value of the Company’s investments. The Company’s investment portfolio is recorded on a mark to market basis and will experience, at various times, unrealized gains or losses based on equity market conditions. Interest revenue for the three months was \$53,091, an 82% decrease compared to interest income of \$301,630 of the prior year. The decrease is due to Jaguar’s shift in investment focus as a merchant bank, moving funds away from short-term deposits to equity investments.

Total expenses decreased from \$866,711 in Q2 of 2006 to \$491,224 in Q2 of 2007. The \$375,487 decrease in expenses is related to the change in focus of the Company, resulting in lower management salaries and consulting fees, as well as most other cost categories. Operating as a merchant bank, the Company incurred \$74,889 of transaction costs relating to investments. Shareholder information and transfer agent expenses in Q2 of 2007 were \$127,085 higher than that of Q2 of 2006 due to proxy solicitation expenses.

For the six months ended June 30, 2007 Jaguar had a net gain on investments of \$577,229, of which \$584,443 was unrealized. Comparative results for 2006 are unavailable, given the change in business focus of the Company in the first quarter of the current year. The net unrealized gain on investments was due to an increase in the market value of the Company’s investments. Interest revenue for the six-month period was \$242,631 compared to \$508,065 for the same period of the prior year due to Jaguar’s shift in investment focus as a merchant bank.

Total expenses in the first half of 2007 were \$491,224, a significant decrease compared to the \$1,690,261 reported in the same period for 2006. The \$933,292 decrease in expenses is related to the change in focus of the Company, resulting in lower management salaries and consulting fees, as well as most other cost categories. The Company incurred \$148,947 of transaction costs relating to investments. Shareholder information and transfer agent expenses for the six months ended June 30, 2007 were \$115,178 higher than for the same period in 2006.

As at June 30, 2007, cash and cash equivalents exceeded \$6,000,000, the fair value of the Company's investment portfolio increased to \$20,689,208 from a cost base of \$20,104,765, and total assets were \$26,781,117.

Following the filing of the Company's financial results for the period ended March 31, 2007, it came to the attention of the Company that those statements included a misstatement in the Statement of Cash Flows in which the unrealized loss on investments was incorrectly treated as investments, rather than being reported separately as a non-cash operating activity. This resulted in an understatement of cash flows from operating activities and an overstatement of cash flows from investing activities in the Statement of Cash Flows for that period. The Company has issued restated financial statements for the first quarter of fiscal 2007 correcting the misstatement.

The Company also announced the anticipated terms of the proposed governance agreement between the Company and Northern Financial Corporation (including its subsidiary Northern Securities Inc.) ("Northern"). The purpose of the proposed governance agreement is to set out certain guidelines to assist the Board of Directors of the Company manage potential commercial conflicts of interest which may arise between the Company and Northern, the Company's largest shareholder.

The principal anticipated terms of the proposed governance agreement are expected to be:

Jaguar may engage Northern or Northern Securities Inc. ("Northern Securities") from time to time for various purposes related to the merchant banking business of Jaguar. Northern and Northern Securities are herein collectively referred to as the "Northern Companies". The services provided by Northern or Northern Securities may include, without limitation, the following: acting as financial advisor on any merger or acquisition transaction; acting as financial advisor to provide a fairness opinion or valuation; acting as an agent or underwriter in a financing by Jaguar or a company in which Jaguar has made an investment ("Subject Company"); acting as a dealer manager in a merger or acquisition or in a proxy solicitation, and acting as agent for the purchase and sale of securities. Any proposed engagement by Jaguar of the Northern Companies is referred to as a "Proposed Engagement".

All Proposed Engagements must be reviewed and approved by the Compensation Committee of the Board of Directors of Jaguar. The Compensation Committee must consist of solely independent directors. The Compensation Committee must be satisfied that the commercial terms of the Proposed Engagement and the services to be provided by the Northern Companies are reasonable, are substantially similar to the commercial terms and services that would be applicable in accordance with the standards in the investment banking and brokerage industry.

Jaguar may from time to time decide to make a payment to Northern ("Success Payment") of up to 25% of any realized gain from any investment by Jaguar. All decisions on Success Payments

must be made by the Compensation Committee of the Board of Directors of Jaguar. All Success Payment decisions must be based on the specific circumstances of each investment made by Jaguar in a Subject Company on a case-by-case basis.

The factors to be taken into account by the Compensation Committee in determining whether there will be a Success Payment made to the Northern Companies and the amount of any such Success Payment will include, without limitation, the following: any initiation of the investment opportunity by any employee of the Northern Companies, other than any employee of the Northern Companies who is also an employee of Jaguar (the "Excluded Employees"); any involvement by any employee of the Northern Companies, other than the Excluded Employees, that assists Jaguar in the realization of a gain from the investment; any research coverage of the Subject Company; any trading by any Northern Company in the securities of the Subject Company; any investment advice, financial advisory service, and financing that is provided to Jaguar or to the Subject Company; any compensation paid to the Northern Companies for any services provided to Jaguar or the Subject Company; the amount of the gain on the investment; the length of time taken to realize the gain on the investment; the current cash resources of Jaguar, and the cumulative Success Payments made to the Northern Companies and the cumulative Success Payments made to the Northern Companies in any fiscal year

Jaguar must obtain the approval of the TSX prior to the making of any Success Payment to the Northern Companies, if such approval is required under the applicable rules of the TSX.

Further details of the principal anticipated terms of the Company's proposed governance agreement with Northern are set out in the Company's Management Discussion & Analysis accompanying the Company's financial statements for the second quarter ended June 30, 2007.

The Company also announced that Sam Di Michele has resigned as an independent director of the Company due to a potential conflict of interest, as Mr. Di Michele has recently been appointed President and Chief Executive Officer of Lakeside Steel Corporation, in which Vic Alboini serves as Chairman.

About Jaguar

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

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this news release. This news release may contain certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under Jaguar's control which may cause actual results, performances or achievements of Jaguar to be materially different from those implied by such forward looking statements.

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