



Press Release 26-07

JAGUAR FINANCIAL REPORTS THIRD QUARTER OF FISCAL 2007 RESULTS

TORONTO, CANADA – October 29, 2007 – Jaguar Financial Inc. (“Jaguar” or the “Company”) (TSX: JFI) today reported results for its third quarter and nine months ended September 30, 2007 of its 2007 fiscal year. Net income for the quarter was \$5,432,843, primarily relating to unrealized gains on the Company’s investment portfolio. This compared to a net loss of \$597,829 in 2006. For the nine months ended September 30, 2007, net income was \$5,495,734 compared to net income of \$1,025,106 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 September 30, 2007 the Company generated a net gain on investments of \$9,754,994, of which \$9,730,994 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 Q3 of 2007 was due to an increase in the market value of the Company’s investments, primarily on the Company’s investment in Century II Holdings Inc (“Century”). 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 \$31,819, a decrease compared to interest income of \$303,353 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 increased from \$901,182 in Q3 of 2006 to \$4,353,970 in Q3 of 2007. The increase in expenses is related to increased bonuses, advisory and financing fees, legal fees, and other costs relating to the Company’s investments. The Company also incurred \$279,647 of transaction costs relating to investments.

For the nine months ended September 30, 2007 Jaguar had a net gain on investments of \$10,332,223, of which \$10,315,437 was unrealized. Comparative results for 2006 are not available, 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 nine-month period was \$274,450 compared to \$811,418 for the same period of the prior year due to Jaguar’s shift in investment focus as a merchant bank.

Total expenses for the nine months ended September 30, 2007 were \$5,110,939, compared to \$2,591,443 reported in the same period for 2006. The increase is driven by the change in focus of the Company and relates to costs associated with the increase in value of the Company’s investment portfolio. The Company incurred \$428,594 of transaction costs relating to investments.

As at September 30, 2007, cash and cash equivalents were \$2,519,869, the fair value of the Company’s investment portfolio increased to \$36,831,956 from a cost base of \$26,516,519, and total assets were \$39,354,058.

The Company also announced the Board of Directors has approved a Governance Agreement between the Company and Northern Financial Corporation (“NFC”) including its subsidiary Northern Securities Inc. (“NSI”). NFC and NSI are collectively referred to as “Northern”. The Governance Agreement sets out certain guidelines to assist the Board of Directors of the Company in managing potential commercial conflicts of interest, which may arise between the Company and NFC, the Company’s largest shareholder.

The principal terms of the Governance Agreement are as follows:

Jaguar may engage Northern from time to time for various purposes related to the merchant banking business of Jaguar. The services provided by Northern 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; acting as a dealer manager to Jaguar 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 Northern 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 Northern 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 NFC ("Override Payment") of up to 25% of any realized gain from any investment in a company ("Subject Company") by Jaguar. All decisions on Override Payments must be made by the Compensation Committee. All Override Payment decisions must be based on the specific circumstances of each investment made by Jaguar in each 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 an Override Payment made to Northern and the amount of any such Override Payment will include, without limitation, the following: any initiation of the investment opportunity by any employee of Northern, other than any employee of Northern who is also an employee of Jaguar (the "Excluded Employees"); any involvement by any employee of Northern, other than the Excluded Employees, that assists Jaguar in the realization of a gain from the investment; any research coverage by NSI of the Subject Company; any trading by NSI or its clients 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 Northern 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 expenses incurred in realizing the investment; the current cash resources of Jaguar; the cumulative gains and cumulative losses realized by Jaguar on investments in Subject Companies in the fiscal year in which the investment is realized; the financial results of Jaguar in the fiscal year in which the investment is realized; and the cumulative Override Payments made to NFC in any fiscal year.

Jaguar must obtain the approval of the Toronto Stock Exchange ("TSX") prior to the making of any Override Payment to NFC, if such approval is required under the applicable rules of the TSX.

Further details of the principal terms of the Company's Governance Agreement with Northern are set out in the Company's Management Discussion & Analysis accompanying the Company's financial statements for the third quarter ended September 30, 2007.

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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