



Press Release 04-07

JAGUAR NICKEL ANNOUNCES DECISION NOT TO TENDER ENGENUITY SHARES IN CAE OFFER

TORONTO, CANADA – April 13, 2007 – Jaguar Nickel Inc. ("Jaguar" or the "Company") (TSX: JNI) announced that it did not tender its common shares of Engenuity Technologies Inc. ("Engenuity") (TSX:EGY) in the take-over bid made by a subsidiary of CAE Inc. ("CAE"). As reported on March 19, Jaguar owns 1,745,000 common shares of Engenuity, representing approximately 9.9% of the total issued common shares.

Following its review of the public disclosure material, Jaguar believes the Engenuity directors should not have permitted the substantial shareholders of Engenuity who were also directors to drive the take-over bid process rather than the independent directors. Jaguar considers the result was a flawed process which led to a very inadequate price, no serious canvass of competing offers, and no fiduciary out in the transaction documents on the CAE offer.

Depending on market and other conditions, Jaguar may acquire additional common shares of Engenuity or may sell any or all of its common shares. Jaguar may take other measures to hold the directors of Engenuity accountable for their actions and to oppose the going private transaction.

Engenuity entered into a support agreement ("Support Agreement") with CAE under which CAE made an offer to acquire all the issued common shares of Engenuity at a price of \$1.20 per share. Under hard lock-up agreements ("Lock-Up Agreements") entered into with CAE, eleven shareholders of Engenuity (the "Committed Shareholders") tendered a total of 13,282,780 shares into the CAE offer representing 76% of the issued shares. Of the remaining 24% of the issued shares held by independent shareholders, only 9% was tendered to the expired CAE offer.

Jaguar has concerns about the actions of the Engenuity directors in approving the CAE offer as a result of the following:

1. Engenuity stated in its Directors' Circular that the CAE offer is "attractive" when it clearly is not given the 4% premium to the closing price on the day prior to announcement of the CAE offer and the 14% premium to the 20-day average closing price. The average price/sales multiple for technology companies in recent mergers and acquisition transactions is 1.84 and the average enterprise value/sales multiple for such transactions is 2.06 which if applied to Engenuity would result in a bid price between \$1.79 and \$1.97 per share, rather than \$1.20. The CAE offer price is therefore well below a realistic value for Engenuity. This has been confirmed by the meagre 9% response to the CAE offer by the independent shareholders.
2. Several of the Committed Shareholders are directors, or affiliated with directors, of Engenuity including (i) Claude Roy, a director and holder of 4,054,995 shares or 23.2% of the issued shares; (ii) Thale Corporate Ventures S.A. ("Thale") which owns 1,737,478 shares or 10% of the issued shares, and of which Jean Dufour, President of Thale and Pierre Jeannot, Chairman of Thales Canada Inc. are directors of Engenuity; and (iii) Marcel Cote, Chairman of the Board of Engenuity and holder of 624,300 shares or 3.6% of the issued shares.

As directors, Messrs. Roy, Dufour, Jeannot and Cote approved a Support Agreement with a fiduciary out which enabled a superior competing offer to be accepted if not matched by CAE, but as substantial shareholders or representatives of substantial shareholders, they entered into Lock-Up. Agreements which precluded acceptance of a superior competing offer. Therefore the fiduciary out preserved by the Board was rendered meaningless by the substantial shareholders who were also directors.

Faced with an irrelevant fiduciary out, prior to approving the Support Agreement there should have been a well-crafted process led by the independent directors with the assistance of an investment bank to seriously canvass the market for alternative competing offers. In addition, the independent directors should have ensured that the price offered represented a large premium to the market price or provided a comparable company value. None of this occurred.

Instead the Engenuity directors obtained a fairness opinion on the CAE offer, which was of no value because one of the items considered in the opinion in determining the fairness of the offer was the "existence of potential acquirers in the market". Since there was no chance of a competing offer, the CAE offer being the only possible offer on the table could by default be viewed as "fair", when in fact it is not fair.

3. The dominance of the substantial shareholders was also evident in the special committees established by the Engenuity Board. The Merger and Acquisition Committee of the Engenuity Board consisted of Messrs. Roy, Jeannot and Cote, all of whom were Committed Shareholders or representatives of Committed Shareholders. There were no independent directors on this committee whose role was to negotiate the terms of a transaction with CAE. All or a majority of the directors on the Merger and Acquisition Committee should have been independent directors given the absence of an effective fiduciary out in the CAE transaction.

Similarly, the four person Independent Committee of the Engenuity Board, formed to review the transaction and assess fairness, should not have had two Committed Shareholders as members. With only two truly independent directors on this committee, there was no opportunity for such independent directors to drive an independent process.

4. CAE indicated its intention to complete a second step going private transaction which among other matters requires a majority of minority vote of the independent shareholders.

As a result of Messrs. Roy, Dufour, Jeannot and Cote dominating the process as substantial shareholders which precluded a truly independent process by the Engenuity directors, Jaguar believes that the 85% of Engenuity shares tendered in the take-over bid should not be counted as minority shares in the majority of minority vote in the second step going private transaction. This would secure a truly independent vote on the going private transaction at the Engenuity shareholders meeting to replace the missing independent process at the Engenuity Board level.

About Jaguar

Jaguar is a Canadian merchant bank that invests in undervalued small capitalization companies in a variety of industry sectors. Jaguar's shares are traded on the TSX under the symbol JNI.

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