

JAGUAR FINANCIAL INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “Meeting”) of shareholders of Jaguar Financial Inc. (the “Company”) will be held at the offices of Fasken Martineau DuMoulin LLP, The Stock Exchange Tower, 800 Square Victoria, Suite 3700, Montreal, Quebec on Monday, June 30, 2008, at 4:00 p.m. for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2007, together with the auditors’ report thereon and the annual report to the shareholders;
2. to elect the directors of the Company;
3. to appoint the auditors and to authorize the directors to fix their remuneration;
4. to consider and, if thought fit, to confirm Special By-Law 2008-1 (the “By-Law of Amalgamation”), which provides for the amalgamation under the *Companies Act* (Québec) of the Company and 9196-7547 Québec Inc., a wholly-owned subsidiary of 2171530 Ontario Limited; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management proxy circular (the “Proxy Circular”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice. In addition, the text of the By-Law of Amalgamation and a copy of the Amalgamation Agreement are set out in Schedule B and C, respectively, to the Proxy Circular.

If you are unable to attend the meeting in person, you are requested to complete and sign the enclosed form of proxy. An addressed envelope for the return of the form of proxy is enclosed.

To be valid, forms of proxy must be deposited with the Company’s registrar and transfer agent, Equity Transfer Services Inc., at the address on the envelope provided, not later than 72 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any and all adjournments thereof.

By Order of the Board

Toronto, Ontario
June 2, 2008

Vic Alboini
Chairman, President and Chief Executive Officer

JAGUAR FINANCIAL INC.
(the “Company”)

MANAGEMENT PROXY CIRCULAR

This management proxy circular (the “Proxy Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Jaguar Financial Inc. (“Jaguar” or the “Company”) to be used at the annual and special meeting (the “Meeting”) of shareholders (the “Jaguar Shareholders”) of the Company (and any and all adjournments thereof) to be held on Monday, June 30, 2008 at 4:00 p.m., at the time and place and, for the purposes set forth in the accompanying Notice of Meeting (the “Notice”).

Unless otherwise indicated, the information contained herein is given as at May 27, 2008. All dollar amounts appearing in this Proxy Circular are in Canadian dollars, unless another currency is specified.

SOLICITATION OF PROXIES

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Company at nominal cost. The cost of any such solicitation by management will be borne by the Company. Jaguar has engaged Northern Securities Inc. (“NSI”) to solicit proxies on behalf of management of the Company. Pursuant to this engagement, Jaguar will pay NSI a fee of \$25,000 and reimburse expenses up to a maximum of \$10,000.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy (“Form of Proxy”) are directors and/or officers of the Company. A Jaguar Shareholder desiring to appoint some other person to represent him at the Meeting may do so by inserting the name of such person, who need not be a Jaguar Shareholder, in the blank space provided in the Form of Proxy and striking out the names of the two persons specified or by completing another proper Form of Proxy. In all cases, the completed Form of Proxy is to be delivered to the registered office of the Company, Suite 2020, 145 King Street West, Toronto, Ontario M5H 1J8, or to Equity Transfer Services Inc. (“Equity Transfer”), Suite 400, 200 University Ave, Toronto, Ontario M5H 4H1, not less than 72 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any and all adjournments thereof.

A Jaguar Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. Subject to compliance with the requirements set forth in this paragraph, the giving of a proxy will not affect the right of a Jaguar Shareholder to attend and vote in person at the Meeting. A proxy may be revoked by either executing a Form of Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Jaguar Shareholder or by his authorized attorney in writing, or, if the Jaguar Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing the Form of Proxy bearing a later date with the Company or with Equity Transfer at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof at which the proxy is to be used or by depositing the revocation of proxy with the chairman of such Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

PROXY INSTRUCTIONS

The persons named in the enclosed Form of Proxy will vote the common shares (the “Jaguar Common Shares”) in respect of which they are appointed in accordance with the direction of the Jaguar Shareholders appointing them. In the absence of such direction, such Jaguar Common Shares will be voted for the approval of the matters identified in the proxy.

The enclosed Form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the time of printing of this Proxy Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice.

Registered Holders

There are two methods by which registered holders of Jaguar Common Shares can vote their shares at the Meeting: in person at the Meeting, or by proxy. Should a registered holder wish to vote in person at the Meeting, the Form of Proxy included with this Proxy Circular should not be completed or returned; rather, the registered holder should attend the Meeting where his or her vote will be taken and counted. Should the registered holder not wish to attend the Meeting or not wish to vote in person, his or her vote may be voted by proxy through one of the methods described below and the Jaguar Common Shares represented by the proxy will be voted, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the Jaguar Common Shares will be voted accordingly.

Non-Registered Holders

Only registered holders of Jaguar Common Shares or the persons they appoint as their proxies are permitted to attend and vote at the Meeting. However, in many cases, Jaguar Common Shares beneficially owned by a holder (a “Non-Registered Holder” or “Beneficial Owner”) are registered either:

- (A) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Jaguar Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds and registered educational savings plans and similar plans; or
- (B) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Beneficial Owners, those who object to their name being made known to the issuer, referred to as objecting beneficial owners (“OBOs”) and those who do not object to the issuer knowing who they are, referred to as non-objecting beneficial owners (“NOBOs”). In accordance with the requirements of National Instrument 54-101 – *Proxy Solicitation* of the Canadian Securities Administrators, the Company has opted to distribute copies of the Notice, this Proxy Circular and the Form of Proxy (collectively, the “Meeting Materials”) to NOBO’S directly. The Meeting Materials will be distributed to OBO’S through clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders.

The Meeting Materials are being sent to both registered holders of Jaguar Common Shares and Non-Registered Holders. If you are a Non-Registered Holder, and the Company has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners

Intermediaries are required to forward Meeting Materials to OBOs, unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (A) be given a Form of Proxy which has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise uncompleted. This Form of Proxy need not be signed by the OBO. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with Equity Transfer as described above; or
- (B) more typically, be given a voting instruction form that must be completed and signed by the OBO in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting form by telephone).

Non-Objecting Beneficial Owners

NOBOs can expect to receive the Meeting Materials with a Form of Proxy from Equity Transfer. These proxies are to be completed and returned to Equity Transfer in the envelope provided or by following the instructions contained on the proxy for facsimile, telephone or Internet voting. Equity Transfer will tabulate the results of the proxies received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Jaguar Common Shares represented by the proxies they receive.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Jaguar Common Shares they beneficially own. Should a Non-Registered Holder who receives either a Form of Proxy, a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's name (or such other corresponding directions on the form). **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the Form of Proxy or the proxy authorization form is to be delivered, and their service companies.**

Non-Registered Holders who wish to vote their Jaguar Common Shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or the Form of Proxy, as the case may be, in order to appoint themselves as proxy holders and follow the signature and return instructions provided by their nominees. Non-Registered Holders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Equity Transfer.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or senior officer, past, present or nominated hereunder, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On May 30, 2008, the Company had 107,630,532 Jaguar Common Shares issued and outstanding, without par value and carrying the right to one vote per share. The Board of Directors has established May 30, 2008 as the record date for determination of Jaguar Shareholders of record entitled to vote or have their Jaguar Common Shares voted at the Meeting and will prepare a list of holders of Jaguar Common Shares as at the close of business on that date. A Jaguar Shareholder named in the list will be entitled to vote the Jaguar Common Shares shown opposite his name at the Meeting except to the extent that (i) the Jaguar Shareholder has transferred the ownership of any of the Jaguar Common Shares after the date on which the list is prepared and (ii) the transferee of those Jaguar Common Shares produces properly endorsed share certificates or otherwise establishes that he owns the Jaguar Common Shares and demands not later than 10 days before the Meeting that his name be included in the list, in which case the Chairman of the Meeting may, at his discretion, permit the transferee to vote those Jaguar Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, greater than 10% of the voting rights attached to the outstanding Jaguar Common Shares, other than Northern Financial Corporation ("Northern") and Vic Alboini. As of

the date hereof, Northern is the registered and beneficial owner of an aggregate of 13,544,315 Jaguar Common Shares representing approximately 12.6% of the total issued and outstanding Jaguar Common Shares, and Mr. Alboini beneficially owns or has control or direction over an aggregate of 5,089,571 Jaguar Common Shares representing approximately 4.7% of the total issued and outstanding Jaguar Common Shares. While there is no agreement between Mr. Alboini and Northern regarding their respective ownership of Jaguar Common Shares, they may be considered to be acting jointly and in concert as a result of the fact that i) Mr. Alboini is the Chairman, President and Chief Executive Officer of both Jaguar and Northern, and ii) Mr. Alboini beneficially owns or has control or direction over approximately 29.6% of the issued and outstanding common shares of Northern.

MATTERS TO BE ACTED UPON AT THE MEETING

ELECTION OF DIRECTORS

Board Composition

Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed.

Nominees

Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote **FOR** the election of the nominees whose names are set forth below. Management does not contemplate that any of such nominees will be unable to serve as a director.

The following table sets out the names of the persons proposed to be nominated for election as a director, all major positions and offices with the Company or any of its significant affiliates held by them, their principal occupation or employment and the approximate number of shares of each class of shares of the Company that they have advised are beneficially owned or subject to their control or direction at the date of this Information Circular.

NAME, PROVINCE AND COUNTRY OF RESIDENCE	PRINCIPAL OCCUPATION	DIRECTOR SINCE	SHARES
Vic Alboini ⁽³⁾ Toronto, Ontario, Canada	Chairman, President and Chief Executive Officer of Jaguar since December 2006; Chairman, President and Chief Executive Officer of Northern Financial Corporation; President and Chief Executive Officer of Northern Securities Inc.; Chairman and Chief Executive Officer of Added Capital Corporation	December, 2006	18,633,886 ⁽¹⁾
Richard Pinkerton Toronto, Ontario, Canada	Managing Director, Head of Capital Markets, Northern Securities Inc.	December, 2006	Nil ⁽⁵⁾
Doug Fowler ⁽²⁾⁽³⁾⁽⁴⁾ St. Catharines, Ontario, Canada	President of Kyjormac Inc., a Canadian investment firm	July 4, 2007	4,666,372 ⁽⁵⁾
Joseph Panetta ⁽²⁾⁽³⁾⁽⁴⁾ Woodbridge, Ontario, Canada	Investor and co-owner of several construction businesses, including Diplock Floor Ltd., in the industrial and commercial sector	June 4, 2007	500,000 ⁽⁵⁾

Notes :

- (1) Northern owns 13,544,315 Jaguar Common Shares representing approximately 12.6% of the total issued and outstanding Jaguar Common Shares. Mr. Alboini is the largest shareholder of Northern and is Chairman and Chief Executive Officer of Northern and may be considered to exercise control or direction over Northern. Accordingly, Mr. Alboini may be considered to exercise control or direction over the Jaguar Common Shares owned by Northern. Mr. Alboini also has options to acquire up to 5,000,000 Jaguar Common Shares, of which 3,000,000 are exercisable.
- (2) Member of the Audit Committee.
- (3) Member of the Investment Committee.
- (4) Member of the Compensation Committee.
- (5) Each of Messrs. Pinkerton, Fowler and Panetta has options to acquire up to 1,000,000 Jaguar Common Shares, of which 600,000 are exercisable.

During the past five years, all of the nominees for election to the position of director mentioned above have held the principal occupations shown above.

As of May 30, 2008, the proposed directors and the executive officers of the Company as a group beneficially owned, directly or indirectly, or exercised control or direction over approximately 22.1% of the issued and outstanding Jaguar Common Shares, excluding 8,200,000 Jaguar Common Shares subject to options under the stock option plan of the Company (the "Jaguar Stock Option Plan"). The information as to Jaguar Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.

Penalties or Sanctions

To the knowledge of management of Jaguar, no director or executive officer of Jaguar, or any Jaguar Shareholder holding a sufficient number of securities of Jaguar to affect materially the control of Jaguar, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

No director of the Company is or has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Corporate Cease Trade Orders or Bankruptcies

No director of the Company is, or has been within the past 10 years, a director or executive officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after that individual ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days; or
- (iii) within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

APPOINTMENT OF AUDITORS

The auditors of Jaguar are Grant Thornton LLP, Chartered Accountants, Royal Bank Plaza, South Tower, 200 Bay Street, 19th Floor, Toronto, Ontario M5J 2P9. Grant Thornton LLP have been the auditors of the Company for more than five years.

It is proposed to re-appoint Grant Thornton LLP, Chartered Accountants, as auditors of the Company and to authorize the directors to fix their remuneration.

Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the re-appointment of Grant Thornton LLP, Chartered Accountants, as auditors of the Company to hold office until the next annual meeting of Jaguar Shareholders and to authorize the directors of Jaguar to fix their remuneration.

Audit Committee

Reference is made to item 16.2 of the annual information form (“AIF”) of the Company for the year ended December 31, 2007 for disclosure of information relating to the Audit Committee required under Form 52-110F1. A copy of this document can be found on SEDAR at www.sedar.com or by contacting the Secretary of the Company at its head office.

INFORMATION REGARDING JAGUAR FINANCIAL INC.

STATEMENT OF EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

The Company is required, under applicable securities laws, to disclose to Jaguar Shareholders details of compensation paid to its directors and officers. The following fairly reflects all material information regarding compensation paid to the Company’s directors and executive officers.

Summary Compensation Table

The following table sets forth, to the extent required by applicable securities laws, information with respect to executive compensation paid by the Company to the Named Executive Officers indicated for the financial years ended December 31, 2007 and 2006. “Named Executive Officers” means the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), regardless of the amount of compensation of those individuals, the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as such on December 31, 2007 and whose total salary and bonus exceeded \$150,000, and any executive officer who would have been one of the three most highly compensated executive officers but was not serving as an officer on December 31, 2007. None of the Named Executive Officers were employed in any capacity by the Company during the fiscal year ended December 31, 2005.

NAME AND PRINCIPAL POSITION	YEAR ENDED DEC. 31	ANNUAL COMPENSATION			LONG TERM COMPENSATION			ALL OTHER COMPENSATION (\$)
			BONUS ⁽³⁾ (\$)	OTHER ANNUAL COMPENSATION (\$)	SECURITIES AWARDED		PAY OUTS	
					SECURITIES UNDER OPTIONS/SARS GRANTED (#)	RESTRICTED SHARES OR RESTRICTED SHARE UNITS (\$)	LTIP PAY-OUTS (\$)	
Vic Alboini ⁽¹⁾ President & CEO	2007	\$200,000	\$1,150,000	Nil	5,000,000/Nil	Nil	Nil	\$6,000
	2006	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
Doug Chornoboy ⁽²⁾ CFO	2007	\$133,333	Nil	Nil	200,000/Nil	Nil	Nil	\$3,000
	2006	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Alboini became an officer of the Company on December 6th, 2006. No compensation was paid to Mr. Alboini in fiscal 2006.
- (2) Mr. Chornoboy became an officer of the Company on December 6th, 2006. No compensation was paid to Mr. Chornoboy in fiscal 2006.
- (3) Bonus paid in fiscal 2007.

Option/SAR Grants During the Most Recently Completed Financial Year

The following table summarizes each option granted during the most recently completed financial year to the Named Executive Officers.

NEO Name	Securities, Under Options/SARs Granted (#)	Percent of Total Options/SARs Granted To Employees In Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date Of Grant (\$/Security)	Expiration Date
Vic Alboini	5,000,000	90%	\$0.215	\$0.19	Aug. 21, 2017
Douglas Chornoboy	200,000	3.6%	\$0.215	\$0.19	Aug. 21, 2017

As at December 31, 2007, a total of 8,550,000 options were granted under the Jaguar Stock Option Plan and a total of 1,735,300 options were available for issuance under the Jaguar Stock Option Plan.

Options Exercised During the Most Recently Completed Financial Year and Financial Year End

The following table summarizes each option exercised during the most recently completed financial year by the Named Executive Officers and the financial year-end value of unexercised options on an aggregated basis.

NAME	SECURITIES ACQUIRED ON EXERCISE (#)	AGGREGATE VALUE REALIZED (\$)	UNEXERCISED OPTIONS AT FY-END (#) EXERCISABLE/ UN-EXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END (\$) EXERCISABLE/ UN-EXERCISABLE
Vic Alboini	Nil	Nil	3,000,000/2,000,000	Nil/Nil
Douglas Chornoboy	Nil	Nil	120,000/80,000	Nil/Nil

Defined Benefit or Actuarial Plan Disclosure

The Company does not provide any retirement or pension plan benefits to its Named Executive Officers or directors.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company entered into an agreement with Vic Alboini and Stature Inc. (“Stature”), a company wholly owned by Mr. Alboini and an agreement with Doug Chornoboy.

The agreement with Stature and Mr. Alboini provides for annual compensation of \$200,000, incentive compensation and participation in the Jaguar Stock Option Plan. If the agreement is terminated by the Company, Stature and Mr. Alboini will be paid an amount equal to two times the average of the aggregate annual compensation paid to Stature and Mr. Alboini in the past two years.

The agreement with Mr. Chornoboy provides for annual compensation of \$125,000, incentive compensation and participation in the Jaguar Stock Option Plan. If the agreement with Mr. Chornoboy is terminated, Mr. Chornoboy is entitled to an amount equal to two months salary after one year of employment, four months after two years of employment, six months after three years of employment, and eight months after five years of employment.

In the event of a change of control of the Company, as defined, upon termination of the agreement with Stature and Mr. Alboini or if Stature and Mr. Alboini elect to terminate the agreement with Jaguar within a period of three months following a change in control, Stature and Mr. Alboini will be paid an amount equal to two times the average of the aggregate annual compensation payable to Stature and Mr. Alboini in the past two years. In the event of a change in control of the Company, as defined, upon termination of the employment agreement with Mr. Chornoboy, or if Mr. Chornoboy elects to terminate the agreement with Jaguar, Mr. Chornoboy will be paid an amount equal to one times the average of the aggregate annual compensation payable to Mr. Chornoboy.

Stature and Mr. Alboini will have a period of three years within which to exercise any vested and exercisable Jaguar stock options after resignation or termination of the agreement with Jaguar. The stock options granted to Stature and Mr. Alboini will continue to vest during such three-year period.

Mr. Chornoboy will have a period of one year within which to exercise any vested and exercisable Jaguar stock options after resignation or termination of his employment agreement with Jaguar. The stock options granted to Mr. Chornoboy will continue to vest during such one-year period.

Composition of the Compensation Committee

The Company’s Compensation Committee is comprised of Mr. Doug Fowler and Mr. Joseph Panetta, each being an independent director.

Report on Executive Compensation

The Company's executive compensation policies are designed to support an appropriate relationship between the executive pay and the creation of shareholder value. The Compensation Committee reviews, for approval by the Board of Directors, the design and competitiveness of the Company's executive compensation program.

The Compensation Committee fosters the development of executive compensation plans that are designed to accomplish the following objectives:

- attract to the Company superior managers who have proven ability, insight and judgment;
- retain the services of such managers throughout successive business cycles;
- encourage managers to link their personal interests to those of the Jaguar Shareholders; and
- motivate managers to attend to the critical issues, which are vital to the ongoing success of the Company.

The directors believe that the Company's executive compensation should relate to corporate performance and also that compensation should reflect financial, operational, developmental and other results achieved by the Company that contribute to increasing its value. Further, compensation design must recognize cyclical factors, which are relevant to the Company's industry segment generally.

Compensation for all senior officers and managers, including the Named Executive Officers, consists of three components: a base salary, cash-based incentive compensation, and the Jaguar Stock Option Plan.

Base Salary

Jaguar's policy sets salary at a level slightly below the median base salaries offered by a reference group of companies for senior officers occupying positions of similar importance, scope and complexity to those at Jaguar. The base salaries of senior officers and managers reflect their responsibilities, experience and specific competencies.

Annual Incentive Compensation

The Company provides incentive compensation to officers, including the Named Executive Officers, and managers based on performance and realized merchant banking gains.

The balance of incentive compensation rewards other significant contributions or achievements that relate directly to the areas for which the individual is responsible. The size of any given award depends on performance related to previously stated objectives and the nature of such contributions and their impact upon corporate performance or the enhancement of its asset value.

The Compensation Committee's goal is to tie executive compensation to both individual performance and corporate results. Thus, in a given year, the Company's executive team members may be paid a higher or lower bonus, depending upon performance and realized merchant banking gains.

Jaguar Stock Option Plan

The Jaguar Stock Option Plan is designed to provide incentive to the Company's personnel including directors, officers, employees and persons who have provided or provide ongoing services of value to the Company. The Jaguar Stock Option Plan is administered by the directors, who make allocations to qualified directors, officers, employees and consultants providing ongoing services to the Company after considering their present and potential contributions and other relevant factors.

Exercise prices cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed ten years. Vesting provisions are set by the Board at the time of the specific option grant. Under the Jaguar Stock Option Plan, options surrendered, terminated, or expired without being exercised in whole or in part may be replaced by new options that cover the shares not purchased under such lapsed shares.

The number of shares allocated to the Jaguar Stock Option Plan is determined by the directors from time to time. Presently, the aggregate number of common shares reserved for issuance under the Jaguar Stock Option Plan may not exceed a total of 19,000,000 common shares. As at May 27, 2008, there were 8,550,000 options outstanding and 1,765,300 options available to be granted, representing approximately 7.9% and 1.6% of the Company's issued and outstanding shares.

The granting of options is subject to the following conditions:

- (a) not more than 10% of the outstanding issued common shares may be reserved for the granting of options in any one-year period;
- (b) not more than 10% of the outstanding issued common shares may be reserved for the granting of options to insiders or issued to insiders within a one-year period;
- (c) within a one-year period, not more than 10% of the outstanding issued common shares may be issued to insiders including shares which may be issued under the options or which may be issued with respect to all other compensation granted by the Company to such insider;
- (d) not more than 5% of outstanding issued common shares may be issued to any one eligible person; and
- (e) not more than 5% of the outstanding issued common shares may be issued to any one insider in any one-year period.

Should a participant cease to be eligible due to the loss of corporate office (being that of an officer or director) or employment without cause, the options cease to be exercisable after six months. The Jaguar Stock Option Plan also provides that estates of deceased participants can exercise their options for a period not exceeding six months following death. Options granted under the Jaguar Stock Option Plan are non-transferable. The Company does not provide any financial assistance to participants to facilitate the purchase of shares under the Jaguar Stock Option Plan.

The Board reserves the right to amend, modify or terminate the Jaguar Stock Option Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendment of such plan which could result, at any time, in:

- (a) a material increase of the benefits under the Jaguar Stock Option Plan;
- (b) an increase in the number of shares which would be issued under the Jaguar Stock Option Plan; or
- (c) a material modification of the requirement as to eligibility for participation in the Jaguar Stock Option Plan;

shall be effective only upon the approval of the shareholders. Any amendment to any provision of the Jaguar Stock Option Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Company and by the confirmation of the shareholders at a shareholders' meeting of the Company.

President and Chief Executive Officer's Compensation

The components of the President and Chief Executive Officer's total compensation are the same as those for other Named Executive Officers of the Company, namely, a base salary, cash-based incentive compensation and the Jaguar Stock Option Plan.

The Compensation Committee's objective is to provide competitive compensation. In setting total compensation levels for the President and Chief Executive Officer, Jaguar defines total direct compensation as the aggregate of base salary, cash-based incentive compensation and the Jaguar Stock Option Plan.

Compensation of Directors

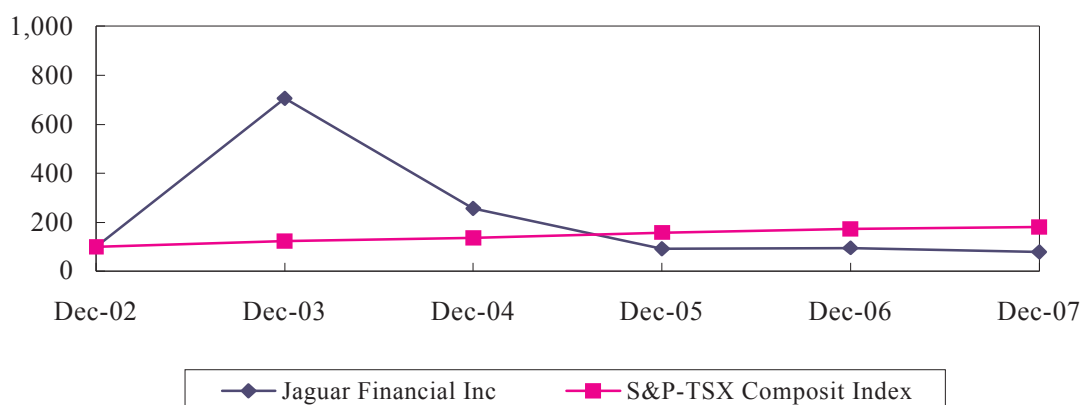
The directors of the Company receive an annual director's fee of \$5,000 payable quarterly and an attendance fee of \$1,000 per meeting attended in person or by telephone and out-of-pocket expenses relating to attendance at a Board or committee meeting. The Chairman of the Board of Directors receives an annual fee of \$10,000 payable quarterly and the Chairman of the Audit Committee receives an annual fee of \$5,000 payable quarterly. The Company paid an aggregate remuneration of \$40,410 to the directors in their capacities as such during the financial period ended December 31, 2007. On January 30, 2008, the Board of Directors approved an increase in the annual director's fee from \$5,000 to \$10,000, effective for the 2008 fiscal year. All other aspects of the Company's compensation of directors remain unchanged.

Compensation is only paid to independent directors.

Performance Graph

The chart below compares the yearly percentage change in the cumulative total shareholder return on Jaguar Common Shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the five financial periods commencing December 31, 2002 and ending December 31, 2007.

Comparative of Five Year Cumulative Total Return



	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007
Jaguar Financial Inc.	\$100	\$705	\$256	\$92	\$96	\$79
S&P/TSX Composite Index	\$100	\$124	\$137	\$159	\$173	\$180

(1) \$100 invested on December 31, 2002 in stock or index – including reinvestment of dividends.

Directors' and Officers' Liability Insurance

The Company maintains liability insurance of \$3,000,000 per policy year for its directors and officers that may provide coverage against certain claims. Claims under the policy are, under certain circumstances, subject to a deductible of \$25,000 per occurrence. The Company paid a premium of \$48,546 in 2007 in respect of the renewal of the policy for the period from June 9, 2007 to June 9, 2008.

The by-laws of Jaguar also provide for the indemnification of its directors and officers and the Company has entered into indemnification agreements with its directors and officers which indemnify and save them harmless from and against any and all losses or damages in respect of any action or suit against them in connection with the execution

of their duties of office save if such resulted from their gross negligence or wilful omission or if they did not act with honesty and in good faith.

NORMAL COURSE ISSUER BID

Jaguar commenced a Normal Course Issuer Bid through the facilities of the Toronto Stock Exchange to purchase for cancellation up to 8,429,621 of its common shares during the 12-month period ending February 6, 2009. Jaguar commenced the Normal Course Issuer Bid because it believes that, at certain times, the market price of its common shares may not adequately reflect the value of its business and its future business prospects. As a result, Jaguar believes that its outstanding common shares may, at such times, represent an attractive investment and an appropriate and desirable use of its available funds. To date, Jaguar has purchased 487,400 common shares pursuant to the bid. Jaguar Shareholders may obtain a copy of the *TSX Form 12 - Notice of Intention to make a Normal Course Issuer Bid* filed by Jaguar with the TSX, at no charge by contacting the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company considers good corporate governance to be important to the effective operations of the Company and to ensure that the Company is managed so as to enhance shareholder value. The Corporate Governance Committee is responsible for ensuring that the Company addresses all relevant corporate governance issues. This committee makes recommendations regarding the compliance of the Company's practices with the corporate governance guidelines set forth in National Policy 58-201 of the Canadian Securities Administrators and oversees disclosure obligations related thereto.

The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 is set out in Schedule A to this Proxy Circular in the form required by Form 58-101F1.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company, nor any associate of any such person is or has been indebted to the Company at any time since the beginning of the Company's last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Mr. Vic Alboini, Chairman and President of the Company, is also Chief Executive Officer of NSI. NSI acts as investment advisor for the Company and receives commissions on any securities transaction undertaken by the Company.

BY-LAW OF AMALGAMATION

The Meeting has also been called for the purpose of considering and, if thought fit, confirming Special By-Law 2008-1 (the "By-Law of Amalgamation") which was adopted by the Board of Directors of the Company on May 13, 2008, and which provides for the amalgamation under the *Companies Act* (Québec) (the "Québec Act") of the Company and 9196-7547 Québec Inc. ("Subco"), a wholly-owned subsidiary of 2171530 Ontario Limited ("New Jaguar"). The text of the By-Law of Amalgamation is set out in Schedule B to this Proxy Circular.

Purpose of the Proposed Amalgamation

The purpose of the proposed Amalgamation is essentially to provide that the Company will in the future be governed by the *Ontario Business Corporations Act* (the "OBCA"). Following the Amalgamation, Jaguar Shareholders will hold shares of New Jaguar, a corporation governed by the OBCA, which will become the new public company. The effect of the proposed Amalgamation will be to "continue" the Company, a company governed by the Québec Act, into an entity governed by the OBCA. Under the OBCA, the Company and the Jaguar Shareholders will benefit from a number of additional or more favorable or flexible provisions, including in the area of shareholder rights (see "Comparative Rights of Shareholders"). For this reason, the Board of Directors of the Company has determined that it is in the best interest of the Company to be governed by the OBCA.

General

To effect the stated objective, the Company, New Jaguar (an OBCA corporation) and Subco (a Québec Act company which was created solely for the purpose of implementing the Amalgamation and which is wholly-owned by New Jaguar), have entered into the Amalgamation Agreement providing for the amalgamation of the Company and Subco under the Québec Act and the issuance of New Jaguar Common Shares (as defined below) to the Jaguar Shareholders in exchange of their Jaguar Common Shares, all on the terms and conditions contained in the Amalgamation Agreement, a copy of which is attached as Schedule C to this Proxy Circular.

Upon the Amalgamation becoming effective, the Jaguar Shareholders will become shareholders of New Jaguar and will receive one New Jaguar Common Share (as defined below) for each Jaguar Common Share held.

The company resulting from the Amalgamation of the Company and Subco (“Amalco”), will become a wholly-owned subsidiary of New Jaguar. All of the assets and liabilities of each of the Company and Subco will become the assets and liabilities of Amalco.

Assuming that the Jaguar Shareholders confirm the By-Law of Amalgamation and that the Amalgamation Agreement is not terminated in accordance with its terms, the Amalgamation will be effected by delivery of Articles of Amalgamation and the issuance of a Certificate of Amalgamation by the Régistraire des Entreprises under the Québec Act. The Amalgamation will become effective on the date on which the Certificate of Amalgamation is issued, which shall be such date as may be determined by the Board of Directors (to be no later than June 30, 2009). It is currently contemplated that the Amalgamation will take place on or about July 2, 2008.

It is anticipated that immediately following the Amalgamation, the assets and liabilities of Amalco will be conveyed to New Jaguar and Amalco will be wound-up into New Jaguar. As a result, New Jaguar will acquire all the assets and liabilities and will operate the business currently carried on by the Company. Neither the Amalgamation nor the winding-up will change the Company’s assets, liabilities, business or operations on a consolidated basis. It is also anticipated that New Jaguar will, concurrently with the winding-up, change its name to “Jaguar Financial Corporation”.

NEW JAGUAR

New Jaguar was incorporated under the OBCA on May 1, 2008. New Jaguar’s head office and principal place of business are the same as the Company’s executive offices and principal place of business: 145 King Street West, Suite 2020, Toronto, Ontario M5H 1J8. There are no restrictions on the business New Jaguar may carry on. New Jaguar holds one Subco Common Share and otherwise has nominal assets and liabilities.

The authorized capital of New Jaguar is the same as that of the Company and consists of an unlimited number of common shares without nominal or par value (the “New Jaguar Common Shares”). Similarly, the share conditions relating to the New Jaguar Common Shares are the same as the share conditions relating to the Jaguar Common Shares. See item 6.1 of the AIF of the Company for a disclosure of such conditions. All the New Jaguar Common Shares are currently held by an individual unrelated to the Company.

Following the Amalgamation, the directors and officers of New Jaguar will be the same as the directors and officers of the Company immediately prior to the Amalgamation. These directors and officers will hold office until the next annual meeting of New Jaguar following the Amalgamation or until their successors are elected or appointed.

Following the Amalgamation, the auditors of New Jaguar will be the same as the auditors of the Company.

SHARE EXCHANGE AND CONVERSION

Upon the Amalgamation:

1. The Jaguar Shareholders will receive one New Jaguar Common Share for each Jaguar Common Share held. All Jaguar Common Shares will be cancelled without reimbursement of the capital in respect thereof;

2. In consideration of the issuance of New Jaguar Common Shares to the Jaguar Shareholders, New Jaguar will receive one Amalco Common Share for each New Jaguar Common Share issued by it; and
3. The outstanding Subco Common Share will be converted into one Amalco Common Share.

NO EXCHANGE OF SHARE CERTIFICATES

It will not be necessary for holders of Jaguar Common Shares to exchange share certificates representing those shares as a result of the Amalgamation. Existing share certificates representing Jaguar Common Shares will evidence a like number of New Jaguar Common Shares. Delivery of share certificates representing Jaguar Common Shares will constitute “good delivery” of the corresponding New Jaguar Common Shares received upon the Amalgamation in purchase and sale transactions subsequent to the Amalgamation. Share certificates representing New Jaguar Common Shares will be issued in any such transactions subsequent to the Amalgamation.

RECOMMENDATION OF THE DIRECTORS

The Board of Directors has unanimously approved the Amalgamation Agreement and enacted the By-Law of Amalgamation and recommends that Jaguar Shareholders vote to confirm the said by-law for the purpose of changing the Company’s corporate jurisdiction to the OBCA.

SHAREHOLDERS APPROVAL

In order for the Amalgamation to be implemented, the By-Law of Amalgamation must be confirmed by the affirmative vote of no less than two-thirds (66 ²/₃%) of the votes cast, in person or by proxy, by the Jaguar Shareholders represented at the Meeting. The text of the By-Law of Amalgamation is set out in Schedule B to this Proxy Circular. **Unless otherwise specified, proxies which are received pursuant to this solicitation will be voted FOR the confirmation of the By-Law of Amalgamation.**

TERMINATION OF THE AMALGAMATION

Pursuant to the By-Law of Amalgamation and terms of the Amalgamation Agreement and notwithstanding the approval of the Jaguar Shareholders, the Amalgamation Agreement may, at any time prior to the issuance of the Certificate of Amalgamation, be terminated by the Board of Directors of the Company if the Board determines, in its sole discretion, that any of the conditions precedent contained in the Amalgamation Agreement cannot be met. In addition, the By-law of Amalgamation will become null and void and the Amalgamation Agreement will terminate if a Certificate of Amalgamation has not been issued on or prior to June 30, 2009.

STOCK EXCHANGE LISTINGS

The Jaguar Common Shares are listed and traded on the Toronto Stock Exchange (the “TSX”).

The Amalgamation is conditional upon the TSX accepting the listing of the New Jaguar Common Shares thereon in substitution for the currently listed Jaguar Common Shares, which acceptance is expected to be obtained on or prior to July 2, 2008.

RESALE OF NEW JAGUAR COMMON SHARES

The distribution of the New Jaguar Common Shares to the Jaguar Shareholders upon the Amalgamation will be exempt from the registration and prospectus requirements of securities legislation in each of the provinces of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of securities from “control block”, the resale of New Jaguar Common Shares by Jaguar Shareholders who receive such shares upon the Amalgamation may be resold in each of the provinces in Canada, subject to the usual conditions that (i) the trade is not a control distribution; (ii) no unusual effort or, in certain circumstances, no effort, has been made to prepare the market or create a demand for the New Jaguar Common Shares; (iii) no extraordinary commission or consideration is paid in respect of any trade except to registrants duly registered under securities laws; and (iv) if the selling holder of New Jaguar Common Shares is an insider or officer of New Jaguar,

the selling holder of New Jaguar Common Shares has no reasonable grounds to believe that New Jaguar is in default of securities laws.

COMPARATIVE RIGHTS OF SHAREHOLDERS

As a result of the Amalgamation, the Jaguar Shareholders will become shareholders of New Jaguar, a corporation governed by the OBCA. As shareholders of an OBCA corporation, the rights of the Jaguar Shareholders will differ in certain respects from their rights as shareholders of a company, such as the Company, incorporated under the Québec Act. The following is a summary of certain material differences.

Business Introduced by Shareholders at Annual Meeting

The OBCA provides that a shareholder may submit to the OBCA corporation, in accordance with the procedures set out in the OBCA, a notice of any matter that he or she proposes to raise at the meeting of shareholders or discuss any such matter at the meeting. The OBCA corporation must, other than in circumstances where the proposal is related to a personal grievance, frivolous, repetitive or outside of the prescribed period, set out the notice in or attach it to the management information circular for such meeting. A shareholder can discuss any matter at the meeting in respect of which the shareholder would be entitled to submit a proposal.

Dissent Rights

The OBCA provides that shareholders are entitled to exercise dissent rights and to be paid the fair market value of their shares in the OBCA corporation in connection to certain matters. The OBCA provides that where the OBCA corporation fails to make an offer to pay fair value for the shares of a dissenting shareholder, the OBCA corporation or, failing the OBCA corporation, the dissenting shareholder, may apply to a court to fix fair value for the shares. No rights of appraisal or similar rights of dissent exist under the Québec Act.

Derivative Actions

Under the OBCA, certain persons, including the shareholders, directors and officers of the OBCA corporation (a “Complainant”), may apply to the court for leave to bring an action in the name of and on behalf of the OBCA corporation or any of its subsidiaries, or to intervene in an existing action to which the OBCA corporation is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the OBCA corporation. In such circumstances, the court may make any order it thinks fit.

Derivative actions are not available under the Québec Act. Although a form of derivative action is available under the *Civil Code of Québec* (the “CCQ”), it may be available only to shareholders and the remedies available may be more restrictive than those available under the OBCA.

Oppression Remedy

The OBCA contains an oppression remedy that enables the court, if satisfied upon application by a Complainant (as defined above under “Derivative Actions”), that any act or omission of the OBCA corporation, the business or affairs of the OBCA corporation or any exercise of the powers of the directors of the OBCA corporation is oppressive, unfairly prejudicial to or unfairly disregards the interests of any shareholder, creditor, director or officer of the OBCA corporation, to make any order, both interim and final, to rectify the matters complained of. The oppression remedy is very flexible and is frequently relied upon to safeguard the interests of shareholders and other Complainants with a substantial interest in a corporation. No similar oppression remedy exists under the Québec Act, although recourse under the CCQ may be available.

Vote Required for Extraordinary Corporate Transactions

Under the OBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, sales, leases or exchanges of all or substantially all of the assets of the OBCA corporation other than in the ordinary course of business, liquidations dissolutions and arrangements, are required to be approved by a special resolution (a

resolution passed by not less than two thirds of the votes cast by the shareholders who vote on the resolution) of shareholders. Under the Québec Act, unless otherwise restricted by the articles or by-laws of the corporation, directors have the power to authorize the sale of any corporate asset without reference to the shareholders.

Amendment of Articles

Under the OBCA, an amendment to the articles of a corporation generally requires approval by special resolution. Specified amendments may also require the approval of the holders of a class or series of shares, voting separately, including in certain cases a class or series of shares not otherwise carrying voting rights. Under the Québec Act, similar requirements apply except that no class or series vote is required for any amendment.

JAGUAR STOCK OPTION PLAN AND OTHER RIGHTS AFTER AMALGAMATION

As indicated above under “Jaguar Stock Option Plan”, the Company presently has adopted the Jaguar Stock Option Plan pursuant to which stock options to purchase Jaguar Common Shares have been granted and are outstanding. In connection with the Amalgamation, New Jaguar will agree with the holders of any outstanding stock options granted prior to the Amalgamation which remain outstanding at the time of the Amalgamation to issue New Jaguar Common Shares in place of Jaguar Common Shares upon the exercise of any such stock options after the Amalgamation.

In addition, New Jaguar has adopted a stock option plan (the “New Jaguar Stock Option Plan”) which is substantially the same as the Jaguar Stock Option Plan and will become effective upon the Amalgamation. Any stock options issued after the Amalgamation becomes effective will be issued pursuant to the New Jaguar Stock Option Plan. In calculating the aggregate number of New Jaguar Common Shares available for issuance under the New Jaguar Stock Option Plan, stock options outstanding or exercised under the existing Jaguar Stock Option Plan will be taken into account.

New Jaguar will also execute any documents and take any action as may be necessary so that all existing rights before the Amalgamation to acquire, and all outstanding securities exchangeable for or convertible into, Jaguar Common Shares become, upon the Amalgamation, rights to acquire, or securities exchangeable for or convertible into, New Jaguar Common Shares, upon the same terms and conditions as before the Amalgamation.

CANADIAN INCOME TAX CONSIDERATIONS

The following is a general summary of the principal income tax considerations under the Income Tax Act (Canada) (the “Federal Act”) generally applicable in respect of the Amalgamation and applicable to a Jaguar Shareholder who, at all relevant times, for purposes of the Federal Act, is, or is deemed to be, a resident of Canada. This summary is based upon the current provisions of the Federal Act and the regulations thereunder (the “Regulations”), in force as of the date hereof, the Company’s understanding of the current administrative and assessment policies of the Canada Revenue Agency and all specific proposals (the “Tax Proposals”) to amend the Federal Act or the Regulations announced and released by the Minister of Finance (Canada) prior to the date of this Proxy Circular. This summary is not exhaustive of all possible federal income tax considerations and except for the Tax Proposals does not take into account or anticipate any change in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign tax considerations, which may differ significantly from those described herein.

This summary is of general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Jaguar Shareholder. No representation with respect to the Canadian income tax consequences to any particular Jaguar Shareholder is made.

Tax Consequences to the Jaguar Shareholders upon the Amalgamation

A Jaguar Shareholder who holds Jaguar Common Shares as capital property will realize neither a capital gain nor a capital loss upon the Amalgamation as a result of exchanging Jaguar Common Shares for New Jaguar Common Shares. Immediately after the Amalgamation, the aggregate adjusted cost base of the New Jaguar Common Shares will be equal to the aggregate adjusted cost base of such holder’s Jaguar Common Shares exchanged pursuant to the

Amalgamation. Where Jaguar Common Shares are “taxable Canadian property” of a Jaguar Shareholder under the Federal Act, New Jaguar Common Shares received on the Amalgamation will be deemed to be taxable Canadian property of the Jaguar Shareholder.

Tax Consequences to the Company

Neither the Amalgamation nor the winding-up of Amalco into New Jaguar will result in any adverse Canadian federal tax consequences to the Company, Subco, Amalco or to New Jaguar.

ADDITIONAL INFORMATION

The following documents contain financial information regarding the Company and will be available for review by Jaguar Shareholders during the course of normal business hours at the Company’s registered office located at Suite 2020, 145 King Street West, Toronto, Ontario:

- (1) The Company’s AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the AIF;
- (2) The annual consolidated financial statements for the Company’s most recently completed financial year, together with the audit report and any interim financial statements that have been filed for any period subsequent to the most recently completed financial year; and
- (3) The annual management’s discussion and analysis (“MD&A”), together with any interim MD&A that have been filed for periods subsequent to the most recently completed financial year.

Copies of the above documents will be available without charge to Jaguar Shareholders upon request made to the Secretary at the Company’s office located at Suite 2020, 145 King Street West, Toronto, Ontario M5H 1J8. These documents are also available free of charge from the Internet at the SEDAR website: www.sedar.com under the Company’s name. Copies of the above documents will be available to non-security holders upon request to the Secretary at a photocopying charge of \$0.25 per page together with the cost of mailing via Canada Post.

APPROVAL OF CIRCULAR

The contents and the sending of this Proxy Circular have been approved by the Board of Directors of the Company.

APPROVED at Toronto, Ontario, this 2nd day of June, 2008.

(s) Vic Alboini

Vic Alboini
Chairman, President and Chief Executive Officer

(s) Richard Pinkerton

Richard Pinkerton
Secretary

Schedule A
STATEMENT OF CORPORATE GOVERNANCE PRACTICES
JAGUAR FINANCIAL INC.
(the “Company”)

Form 58-101-F1 - Corporate Governance Disclosure

The Company’s Practices

1. Board of Directors

- | | |
|---|--|
| a) Disclose the identity of directors who are independent. | The Board of Directors is comprised of four persons. Of those four persons, two are independent: Doug Fowler and Joseph Panetta. |
| b) Disclose the identity of directors who are not independent, and describe the basis for that determination. | The two non-independent directors are Vic Alboini, who is the Chief Executive Officer of the Company and Richard Pinkerton, who is Secretary of the Company. |
| c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities. | The Company does not have a majority of independent Directors. The Company believes that the small size of the Board provides the ability for the independent directors to perform their duties appropriately. |
| d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer. | Mr. Alboini is also a director of Northern Financial Corporation and Added Capital Corp. |
| e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors. | The Board does not have an independent “lead director”, but the small size of the Board provides the ability for the independent directors to perform their duties appropriately. |
| f) Disclosure whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a | Although the Chairman of the Board is an insider, the board considers it important that the individual serving as its Chairman has a management-level understanding of the day-to-day operations of the Company. |

chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

- g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

In carrying out its mandate, the Board met on 8 occasions in 2007.

The following table sets forth the number of board and committee meetings held and attendance by directors for the year ended December 31st, 2007:

Director	Board of Directors and Committee Meetings Attended (in person or by phone)
Wes Roitman	2 of 2
Sheldon Esbin	2 of 2
Vic Alboini	10 of 10
Doug Chornoboy	3 of 3
Richard Pinkerton	12 of 12
Doug Fowler	9 of 9
Joseph Panetta	11 of 11

2. Board Mandate

- a) Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board's mandate is set forth in the document entitled "Board of Directors: Mandate", a copy of which is attached hereto as Annex 1.

3. Position Descriptions

- a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.
- b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board has not developed written position descriptions for the Chair of the Board and the Chair of each Board committee. To allow the Board to operate in an efficient and flexible manner, the Company has not believed, due to the current stage of development of the Company's business and the size of its senior management group, that it was necessary to define position descriptions for the Chair of the Board and the Chair of each Board committee.

The Board has not developed a written position description for the Chief Executive Officer/President. To allow the Board to operate in an efficient and flexible manner, the Company has not believed, due to the current stage of development of the Company's business and the size of its senior management group, that it was necessary to define position descriptions for the Board. The Board believes the role and

responsibility of the Chief Executive Officer is well understood and accordingly a formal mandate has not been considered necessary.

4. Orientation and Continuing Education

- a) Briefly describe what measures the board takes to orient new directors regarding
 - i) the role of the board, its committees and its directors, and
 - ii) the nature and operation of the issuer's business.

- b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Due to its current size, the Company does not conduct a formal orientation and education program for new directors. However, all directors are given direct access to senior management to provide information on the Company, its business and affairs and are provided with all necessary information and the opportunity to visit operations.

Orientation and education of directors is an ongoing matter. As such, ongoing informal discussions between management and members of the Board are encouraged and formal presentations are made by management throughout the year.

5. Ethical Business Conduct

- a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:
 - i) disclose how a person or Company may obtain a copy of the code;
 - ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and

The Board has adopted a written Code of Business Conduct and Ethics for directors, officers and employees.

A copy of the Code of Business Conduct and Ethics is available on the Company's website.

Directors, officers, employees and consultants are directed to read and understand the Code of Business Conduct and Ethics and the Company has implemented a complaint procedure which allows employees to report any conduct that is not compliant with the Code of Business Conduct and Ethics on an anonymous and/or confidential basis to the Chairman of the Audit Committee. This procedure is set forth in the Whistleblower Protection Policy of the Company, a copy of which is available on the Company's website. The Board, acting through the Audit Committee, has responsibility for monitoring compliance with the Code. Mid-level and upper levels of management are required to monitor compliance and report to senior management who in turn inform the Board of any instances of fraud, illegal acts and compliance issues.

- iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
- b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Company has not filed any material change report during the financial year ended December 31, 2007 that pertains to any conduct of a Director or executive officer that constitutes a departure from the Code of Business Conduct and Ethics. No waivers from the Code of Business Conduct and Ethics have been sought or granted.

In the event any transactions or agreements occur in respect of which a Director or executive officer has a material interest, the matter must be initially reviewed by the Audit Committee and then submitted to the Board of Directors. The Board may implement any measures that it finds necessary in order to ensure the exercise of independent judgment. In the event a director has a material interest in any transaction or agreement, such director will abstain from voting in that regard.

Through the above-noted methods, the Board encourages and promotes a culture of ethical business conduct. This is reinforced by the behaviour of the Board, as provided in its mandate, which is in strict compliance with the terms and the spirit of these measures.

6. Nomination of Directors

- a) Describe the process by which the board identifies new candidates for board nomination.
- b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.
- c) If the board has a nominating committee,

The Board does not currently have a formal committee for nominating new directors. In the event a new director is required, the full board considers a nominee's track record in general business management, special expertise in an area of strategic interest to the Company, the nominee's ability to devote time, and whether the nominee has shown support for the Company's mission and strategic objectives.

The Board does not currently have a formal committee for nominating new directors. In the event a new director is required, the full board considers a nominee's track record in general business management, special expertise in an area of strategic interest to the Company, the nominee's ability to devote time, and whether the nominee has shown support for the Company's mission and strategic objectives.

The Board does not currently have a formal

describe the responsibilities, powers and operation of the nominating committee.

committee.

7. Compensation

- a) Describe the process by which the board determines the compensation for the issuer's directors and officers.
- b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.
- c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.
- d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

Each year, the Compensation Committee and the Board review the base salaries of all executive officers to determine whether adjustment are appropriate to bring their salaries to a competitive level and to reflect their responsibilities as executives of a public company. In conducting this review, the Board considers competitive data for executives having similar responsibilities in competitive organizations, taking into account size, location and appropriate differentiating factors.

The Company's Compensation Committee is comprised entirely of independent directors.

The Compensation Committee has adopted a written Compensation Committee Charter, which details the responsibilities, powers and operations of the committee. A copy of the committee's Charter is available on the Company's website.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board of Directors of the Company has an Investment Committee which is comprised of Vic Alboini (Chair), Doug Fowler, and Joseph Panetta. The function of this committee is to evaluate and assess proposed investment opportunities of the Company and, if appropriate, recommend to the Board that it approve such investments.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board as a whole assesses the effectiveness of the Board and individual members at least annually. The process by which this assessment is done is on an informal basis. Due to the small size of the board, a formal committee has not been considered necessary or efficient to conduct this assessment.

Annex 1

BOARD OF DIRECTORS

MANDATE

1. The board of directors (the “Board”) is responsible to supervise the management of the business and affairs of the Company. The Board will discharge this responsibility by developing and determining policy by which the business and affairs of the Company are to be managed and by overseeing the management of the Company.
2. The Board has specific responsibilities for the following, which do not, in any way, limit or comprehensively define its overall responsibility for the stewardship of the Company:
 - a. selection, appointment, evaluation and if necessary the termination of the chief executive officer;
 - b. succession planning, including appointing, counselling and monitoring the performance of executive officers;
 - c. human resources policies of the Company in general, including in particular the approval of the compensation of executive officers;
 - d. adoption of a strategic planning process, approval of strategic plans and monitoring corporate performance against those plans;
 - e. approval of periodic capital and operating plans and monitoring corporate performance against those plans;
 - f. policies and processes to identify the Company’s principal business risks and to ensure that systems are in place to mitigate these risks where prudent to do so;
 - g. policies to ensure ethical behaviour of the Company, its directors, officers and employees, and compliance with laws and regulations;
 - h. policies and processes to ensure the integrity of the Company’s internal control and management information systems and its financial reporting;
 - i. assessment of the effectiveness of the Board and its committees and ensuring an appropriate orientation program for new directors and an education program is in place for all directors;
 - j. definition of the duties and the limits of authority of senior management, including approving a position statement for the chief executive officer;
 - k. communications policy of the Company;
 - l. health and safety and environmental policies and ensuring the implementation of systems to comply with these policies and all relevant laws and regulations;
 - m. corporate governance including the relationship of the Board to management and ensuring the Company has appropriate structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities;

- n. calling meetings of shareholders and submission to the shareholders of any question or matter requiring approval of the shareholders;
- o. approval of directors for nomination and election and recommendation of the auditors to be appointed at shareholders' meetings and filling a vacancy among the directors or in the office of the auditor;
- p. issuance of securities of the Company;
- q. declaration of dividends and establishment of the dividend policy for the Company;
- r. approval of the annual audited financial statements, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms and other disclosure documents required to be approved by the directors of a Company under securities laws, regulations or rules of any applicable stock exchange.
- s. adoption, amendment or repeal of by-laws of the Company, subject to shareholder approval;
- t. review and approval of material transactions not in the ordinary course of business; and
- u. other corporate decisions required to be made by the Board, or as may be reserved by the Board, to be made by itself, from time to time and not otherwise delegated to a committee of the Board or to the management of the Company.

Subject to the provisions of applicable law and the by-laws of the Company, the responsibilities of the Board may be delegated, from time to time, to committees of the Board on such terms as the board may consider appropriate.

SCHEDULE B

SPECIAL BY-LAW 2008-1

A By-Law of Amalgamation

WHEREAS an amalgamation (the “Amalgamation”) between Jaguar Financial Inc. (the “**Company**”) and 9196-7547 Québec Inc. (“**Subco**”), a wholly-owned subsidiary of 2171530 Ontario Limited (“**New Jaguar**”), has been proposed;

AND WHEREAS the Company, Subco and New Jaguar wish to enter into an amalgamation agreement (the “**Amalgamation Agreement**”) to be made as of June 2, 2008 providing for the Amalgamation of the Company and Subco under Part IA of the *Companies Act* (Québec) (the “**Act**”) on the terms and conditions contained in the Amalgamation Agreement;

NOW THEREFORE, IT IS HEREBY ENACTED AND PROMULGATED AS SPECIAL BY-LAW 2008-1 AS FOLLOWS:

1. the Company is hereby authorized to amalgamate with Subco pursuant to the provisions of Part IA of the Act and to continue its existence with Subco as one and the same company under the name “Jaguar Financial Inc.”;
2. the Amalgamation Agreement setting out the terms and conditions of the Amalgamation as well as all other details necessary to complete the Amalgamation, a copy of which is appended hereto, is hereby approved, and any director or officer of the Company is hereby authorized and directed to sign and deliver, for and on behalf and in the name of the Company, the Amalgamation Agreement with such additions, deletions and changes therein or thereto as such director or officer may from time to time approve, such execution to be conclusive evidence of such approval;
3. any director of the Company is hereby authorized to sign and (when deemed expedient) deliver for and on behalf of and in the name of the Company, Articles of Amalgamation with such additions, deletions and changes therein or thereto as such directors may approve, such execution to be conclusive evidence of such approval;
4. any director or officer of the Company is hereby authorized to sign and deliver for and on behalf and in the name of the Company such other documents, carry out such acts and do such things as may be necessary or advisable to give effect to this Special By-Law;
5. the Amalgamation will become elective on the date on which the Certificate of Amalgamation is issued provided, however, that if a Certificate of Amalgamation giving effect to the Amalgamation has not been issued on or prior to June 30, 2009, this Special By-Law will be null and void; and
6. notwithstanding the confirmation of this Special By-Law by the shareholders of the Company, the board of directors of the Company may annul this Special By-Law and terminate the Amalgamation Agreement prior to the issuance of a Certificate of Amalgamation if the board of directors of the Company determines, in its sole discretion, that any of the conditions precedent to the Amalgamation contained in the Amalgamation Agreement cannot be met.

SCHEDULE C

AMALGAMATION AGREEMENT

ENTERED INTO IN MONTREAL, QUEBEC, ON JUNE 2, 2008.

BETWEEN: **JAGUAR FINANCIAL INC.**, a company duly incorporated under Part 1A of the *Companies Act* (Quebec), having its head office at 800 Square Victoria, Stock Exchange Tower, Suite 3400, P.O. Box 242, Montreal, Quebec, H4Z 1E9;

(hereinafter referred to as “**Jaguar**”)

AND: **9196-7547 QUÉBEC INC.**, a company duly incorporated under Part 1A of the *Companies Act* (Quebec), having its head office at 800 Square Victoria, Stock Exchange Tower, Suite 3400, P.O. Box 242, Montreal, Quebec, H4Z 1E9;

(hereinafter referred to as “**Subco**”)

AND: **2171530 ONTARIO LIMITED**, a corporation duly incorporated under the laws of Ontario, having its head office at 145 King Street West, Suite 2020, Toronto, Ontario, M5H 1J8;

(hereinafter referred to as “**New Jaguar**”)

WHEREAS Jaguar was incorporated by Letters Patent dated April 5, 1956 pursuant to the *Mining Companies Act* (Québec) and continued under Part 1A of the *Companies Act* (Québec) by Certificate of Continuance dated February 23, 1987;

WHEREAS Subco was incorporated under Part IA of the *Companies Act* (Québec) by certificate and articles of incorporation dated May 2, 2008;

WHEREAS New Jaguar was incorporated under the *Business Corporations Act* (Ontario) by certificate and articles of incorporation dated May 1, 2008;

WHEREAS the authorized share capital of Jaguar consists of an unlimited number of common shares without nominal or par value, of which 107,630,532 are currently issued and outstanding as fully paid and non-assessable shares;

WHEREAS the authorized share capital of Subco consists of an unlimited number of common shares without nominal or par value, of which one is currently issued and outstanding as a fully paid and non-assessable share and is held and beneficially owned by New Jaguar;

WHEREAS the authorized share capital of New Jaguar consists of an unlimited number of common shares without nominal or par value, of which one is currently issued and outstanding as fully paid and non-assessable share and is held and beneficially owned by Mr. Christopher Kennedy, an individual who is not a “related party” of Jaguar under applicable securities laws;

WHEREAS Jaguar and Subco have agreed to amalgamate pursuant to the *Companies Act* (Québec) upon the terms and conditions set forth in this Agreement and for such purpose New Jaguar has agreed to make available New Jaguar Common Shares;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms shall have the following meanings:

- (a) “**Act**” means the *Companies Act* (Québec), as amended;
- (b) “**Agreement**” means this amalgamation agreement as the same may be amended from time to time, and the expressions “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**”, “**hereby**” and similar expressions refer to this Agreement;
- (c) “**Amalco Common Shares**” means common shares of the Amalgamated Company;
- (d) “**Amalgamated Company**” means the company continuing from the amalgamation of the Amalgamating Companies;
- (e) “**Amalgamating Companies**” means Jaguar and Subco;
- (f) “**Amalgamation**” means the amalgamation of the Amalgamating Companies as contemplated in this Agreement;
- (g) “**Certificate of Amalgamation**” means the certificate of amalgamation issued to the Amalgamated Company by the Enterprise Registrar under the Act in respect of the Amalgamation;
- (h) “**Effective Date**” means the date of the Amalgamation as set forth in the Certificate of Amalgamation;
- (i) “**Jaguar Common Shares**” means common shares of Jaguar;
- (j) “**New Jaguar Common Shares**” means common shares of New Jaguar; and
- (k) “**Subco Common Shares**” means common shares of Subco.

Words and phrases used but not defined in this Agreement and defined in the Act shall have the same meaning in this Agreement as in the Act unless the context or subject matter otherwise requires.

1.2 Interpretation Not Affected By Headings

The division of this Agreement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 Number, etc.

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

ARTICLE 2 AGREEMENT TO AMALGAMATE

2.1 Agreement to Amalgamate

The Amalgamating Companies hereby agree to amalgamate pursuant to the provisions of Part IA of the Act as of the Effective Date and to continue as one company, the Amalgamated Company, on the terms and conditions set out in this Agreement.

ARTICLE 3 AMALGAMATED COMPANY

3.1 Name

The name of the Amalgamated Company shall be “Jaguar Financial Inc.”

3.2 Head Office

The head office of the Amalgamated Company shall be situated in the judicial district of Montreal in the Province of Québec. Unless changed by the directors of the Amalgamated Company, the head office will be located at 800 Square Victoria, Stock Exchange Tower, Suite 3700, P.O. Box 242, Montreal, Quebec, H4Z 1E9.

3.3 General By-Laws

Except as otherwise herein provided, the General By-Laws of the Amalgamated Company shall be those of Subco, until repealed, amended or altered in accordance with the Act.

3.4 Number of Directors

The board of directors of the Amalgamated Company shall, until otherwise changed in accordance with the Act, consist of a minimum of three and a maximum of ten directors,

the number of directors to be determined by the directors by resolution, from time to time. Initially, the board will consist of three directors.

3.5 Directors

The board of directors of the Amalgamated Company shall be the persons whose surnames, given names, residential addresses and occupations appear below:

Name	Address	Occupation
Vic Alboini	Toronto, Ontario	Chairman and Chief Executive Officer of Jaguar
Doug Chornoboy	Pickering, Ontario	Chief Financial Officer of Jaguar
Kyler Wells	Toronto, Ontario	General Counsel of Jaguar

These directors shall hold office from the Effective Date until the annual meeting of shareholders of the Amalgamated Company first following the date of this Agreement or until their successors are elected or appointed. The business and affairs of the Amalgamated Company shall be managed by the directors, subject to the provisions of the Act.

3.6 Officers

From the Effective Date until changed by the directors or until his successor(s) is/are appointed, the only officer of the Amalgamated Company shall be Mr. Kyler Wells, who shall act as President and Secretary of the Amalgamated Company.

3.7 Auditors

From the Effective Date until the annual meeting of shareholders of the Amalgamated Company first following the date of this Agreement, the auditors of the Amalgamated Company shall be Grant Thornton LLP, unless such auditors resign or are removed.

3.8 Business

There shall be no restrictions on the business which the Amalgamated Company is authorized to carry on.

3.9 Authorized Share Capital

The authorized share capital of the Amalgamated Company shall consist of an unlimited number of common shares without nominal or par value (the “**Amalco Common Shares**”). The rights, privileges, restrictions and conditions attaching to the Amalco Common Shares shall be as follows:

- (a) Voting right. Holders of Amalco Common Shares shall have the right to receive notice of any meeting of shareholders of the

Amalgamated Company, to attend such meeting and to vote thereat on the basis of one (1) vote per Amalco Common Share held.

- (b) Dividend. Holders of Amalco Common Shares shall have the right to receive any dividend declared by the Amalgamated Company.
- (c) Remaining property. Upon the winding-up of the Amalgamated Company, holders of Amalco Common Shares shall have the right to share the remaining property of the Amalgamated Company.

3.10 Paid-Up Share Capital

The paid-up share capital of the Amalgamated Company shall be the paid-up share capital of Jaguar immediately prior to the Amalgamation.

3.11 Restrictions on Transfer of Shares

No share of the share capital of the Amalgamated Company shall be transferred without the approval of the directors evidenced by a resolution of the board, which approval may be given after such transfer.

3.12 Other Provisions

As long as the Amalgamated Company qualifies as a “private issuer” within the meaning of *Regulation 45-106 respecting prospectus and registration exemptions*, as amended, supplemented, restated or replaced from time to time, any transfer of securities (other than shares and non-convertible debt securities) of the Amalgamated Company, shall be subject to the approval of the directors evidenced by a resolution of the board (which approval may be given after such transfer) or, as the case may be, to restrictions that are contained in any securityholders’ agreements.

ARTICLE 4 EXCHANGE OR CONVERSION OF SHARES UPON AMALGAMATION

4.1 Exchange or Conversion of Shares upon Amalgamation

On the Effective Date:

- (a) each holder of Jaguar Common Shares will receive one fully paid and non-assessable New Jaguar Common Share for each Jaguar Common Share held and each Jaguar Common Share will then be canceled without reimbursement of the capital in respect thereof;
- (b) all existing rights as of the Effective Date to acquire, and all outstanding securities as of the Effective Date exchangeable for or convertible into, Jaguar Common Shares will become rights to acquire or securities exchangeable for or convertible into, New

Jaguar Common Shares, upon the same terms and conditions as before the Effective Date;

- (c) each issued and outstanding Subco Common Share will be converted into one Amalco Common Share; and
- (d) in consideration of the issuance of New Jaguar Common Shares to the holders of Jaguar Common Shares, New Jaguar will receive one Amalco Common Share for each New Jaguar Common Share issued by it to such holders of Jaguar Common Shares in connection with the Amalgamation.

4.2 Share Certificates

No certificates will be issued in respect of the New Jaguar Common Shares upon the Amalgamation and, until new share certificates are issued in the ordinary course of transfer, all New Jaguar Common Shares will be evidenced by certificates representing Jaguar Common Shares.

4.3 Fees

No service charge or brokerage commission will be payable by a holder of Jaguar Common Shares in connection with the exchange of share certificates of Jaguar for those of New Jaguar unless such holder requests transfer of ownership of record to another person.

ARTICLE 5 CONDITIONS PRECEDENT TO THE AMALGAMATION

5.1 Conditions Precedent to the Amalgamation

The respective obligations of the parties to this Agreement to consummate the transactions contemplated hereby and, in particular, the Amalgamation, are subject to the satisfaction of the following conditions, any of which may be waived by the mutual consent of such parties without prejudice to the right to rely on any other of such conditions:

- (a) the holders of the Jaguar Common Shares and the holder of the Subco Common Share shall have confirmed the by-laws approving this Agreement in accordance with the Act;
- (b) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation;
- (c) all approvals, orders and exemptions, including, among others and for greater certainty, orders to ensure that New Jaguar will be a “reporting issuer” in those jurisdictions in which Jaguar was a

“reporting issuer” immediately prior to the Amalgamation, required or necessary or, in the opinion of the directors of the Amalgamating Companies, desirable to be obtained from regulatory authorities in connection with the Amalgamation shall have been obtained and all notice and filing obligations shall have been fulfilled;

- (d) the Toronto Stock Exchange shall have accepted notice of the Amalgamation and of the listing thereon of the New Jaguar Common Shares to be issued upon the Amalgamation as of the Effective Date, or as soon as practicable thereafter, subject to compliance with the usual requirements of such exchange;
- (e) all approval required, necessary or, in the opinion of the directors of the Amalgamating Companies, desirable to be obtained from third parties in connection with the Amalgamation shall have been obtained; and
- (f) all necessary corporate action on the part of Subco and Jaguar to authorize the consummation of the transactions contemplated by this Agreement shall be complete and effective.

ARTICLE 6 AMALGAMATION

6.1 Articles of Amalgamation

Subject to the satisfaction or waiver of all conditions precedent set out in Section 5.1 of this Agreement, the Amalgamation will be effected by filing, on such date as the directors of the Amalgamating Companies may determine, the Articles of Amalgamation as provided under the Act together with any and all documents required by the Act and the regulations thereunder.

6.2 Effects of Amalgamation

From the date shown on the Certificate of Amalgamation, each of the Amalgamating Companies shall continue their existence as one and the same company and the Amalgamated Company shall possess all of the property, rights and assets of the Amalgamating Companies and shall be liable for all of the liabilities and obligations of the Amalgamating Companies by operation of law.

ARTICLE 7 TERMINATION

7.1 Termination

This Agreement may, at any time prior to the issuance of a Certificate of Amalgamation, be terminated by the board of directors of Jaguar if the board of Jaguar determines, in its

sole discretion, that any conditions precedent set out in Section 5.1 cannot be met. Notwithstanding anything in this Agreement, this Agreement shall terminate if a Certificate of Amalgamation has not been issued on or prior to June 30, 2009.

ARTICLE 8 GENERAL

8.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

8.2 Cooperation/ Further Assurances

Each of the parties hereto agrees to cooperate in good faith and to take all reasonable steps and actions after the date hereof, as are not adverse to the party requested to take any such step or action, to complete the Amalgamation and the other transactions contemplated hereby. Each party hereto shall, from time to time, and at all times hereafter, at the request of another party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform, carry out or better evidence the terms and intent hereof.

8.3 Entire Agreement

This Agreement constitutes the entire agreement among the parties to this Agreement relating to the Amalgamation and supersedes all prior agreements and understandings, oral and written, between such parties with respect to the subject matter hereof.

8.4 Amendments

This Agreement may not be modified, amended, altered or supplemented except in the manner contemplated herein and upon the execution and delivery of a written agreement executed by all parties hereto.

8.5 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall be deemed to constitute one and the same instrument.

8.6 English Language

The parties hereto confirm that it is their wish that this Agreement as well as all other documents relating hereto be drawn up in English only. *Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents s'y rattachant soient rédigés en anglais seulement.*

(remainder of this page left blank intentionally)

IN WITNESS WHEREOF, the parties have signed this Amalgamation Agreement in the place and on the date first mentioned hereinabove.

JAGUAR FINANCIAL INC.

9196-7547 QUÉBEC INC.

By: (s) *Kyler Wells*
Kyler Wells
General Counsel

By: (s) *Kyler Wells*
Kyler Wells
President and Secretary

2171530 ONTARIO LIMITED

By: (s) *Kyler Wells*
Kyler Wells
President and Secretary