

---

**JAGUAR NICKEL INC.**  
(the "Company")

**MANAGEMENT PROXY CIRCULAR**

---

**SOLICITATION OF PROXIES**

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 Nickel Inc. ("Jaguar" or the "Company") to be used at the annual meeting (the "Meeting") of shareholders (the "Jaguar Shareholders") of the Company (and any and all adjournments thereof) to be held on Friday, June 29, 2007 at 4:00 p.m., at the time and place and, for the purposes set forth in the accompanying Notice of Meeting (the "Notice"). 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.

**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 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 shareholder of the Company, 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 2705, 401 Bay Street, Toronto, Ontario M5H 2Y4, 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 ("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 election of directors, FOR the appointment of auditors and FOR the change in name of the Company.**

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 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 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 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 The Canadian Depository for Securities Limited) 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 ("NOBO's"). 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 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 NOBO's 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 ("OBO's")***

Intermediaries are required to forward Meeting Materials to OBO's, unless an OBO has waived the right to receive them. Generally, OBO's 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 ("NOBO's")***

NOBO's 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 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 June 4, 2007, the Company had outstanding 108,096,432 common shares without par value carrying the right to one vote per share. The Board of Directors has established May 29, 2007 as the record date for determination of 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 ("NFC"). As of the date hereof, NFC is the registered and beneficial owner of an aggregate of 21,605,800 Jaguar Common Shares on behalf of an investor group which includes Vic Alboini, Chairman and President of Jaguar, representing approximately 19.9% of the total issued and outstanding Jaguar Common Shares.

## 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 Corporation 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 Corporation 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
<b>Vic Alboini</b> <sup>(3)</sup> Toronto, Ontario, Canada	Chairman, President and Chief Executive Officer of Jaguar since December 2006; Chairman, President and Chief Executive Officer of Northern Financial Corporation and President and Chief Executive Officer of Northern Securities Inc.	December, 2006	<b>21,605,800</b> <sup>(1)</sup>
<b>Richard Pinkerton</b> <sup>(2)</sup> Toronto, Ontario, Canada	Managing Director, Head of Investment Banking, Northern Securities Inc.	December, 2006	<b>Nil</b>
<b>Norman Peter Stern</b> <sup>(2)(3)(4)</sup> Toronto, Ontario, Canada	Consultant at Lakeside Steel Corporation to lead its restructuring; Owner and operator of residential and commercial properties and movie theaters; formerly President, Galaxy Entertainment Inc. from 1999 to 2001; formerly past President of the Motion Picture Association of Canada for 8 years and a director for 10 years	June 4, 2007	<b>3,500,000</b>
<b>Sam Di Michele</b> <sup>(2)(3)(4)</sup> Toronto, Ontario, Canada	President and Chief Restructuring Officer, Lakeside Steel Corporation; Founder of Cinema Strategy Group; formerly President of Cineplex Odeon Corporation, Canada, from 2000 to 2003, leading its restructuring	June 4, 2007	<b>Nil</b>
<b>Joseph Panetta</b> <sup>(2)(3)(4)</sup> Woodbridge, Ontario, Canada	Investor and co-owner of several construction businesses, including Diplock Floor Ltd., in the industrial and commercial sector	June 4, 2007	<b>Nil</b>

Notes :

(1) Northern Financial Corporation ("Northern") owns 21,605,800 Jaguar Common Shares on behalf of an investor group, which includes Northern and Vic Alboini, representing approximately 19.9% of the total issued and outstanding Jaguar Common Shares. Northern exercises control or direction over the investor group with regard to the Jaguar Common shares. Mr. Alboini is the largest shareholder 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 the Northern investor group. Mr.

Alboini's interest in the investor group is approximately 12.4% which represents approximately 2,671,071 Jaguar Common Shares owned by the investor group.

- (2) Member of the Audit Committee.
- (3) Member of the Investment Committee.
- (4) Member of the Compensation Committee.

As of June 4, 2007, 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 23.2% of the issued and outstanding Jaguar Common Shares, excluding 3,825,000 Jaguar Common Shares subject to option under the 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***

Sam Di Michele has advised Jaguar that he served as an officer of Cineplex Odeon Corporation ("Cineplex") during its bankruptcy proceedings in 2001. Mr. Di Michele is a restructuring advisor and was appointed President for the purpose of restructuring Cineplex.

Except as disclosed above, 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 17.2 of the annual information form ("AIF") of the Company for the year ended December 31, 2006 for a disclosure of information relating to the Audit Committee required under Form 52-110F1. Copy of this document can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting the Secretary of the Company at its head office.

### **INFORMATION REGARDING JAGUAR NICKEL INC.**

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **EXECUTIVE COMPENSATION**

The Company is required, under applicable securities laws, to disclose to its 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, 2006, 2005, and 2004. "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, 2006 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, 2006.

NAME AND PRINCIPAL POSITION	YEAR ENDED DEC. 31	ANNUAL COMPENSATION			LONG TERM COMPENSATION			ALL OTHER COMPENSATION (\$)
			BONUS <sup>(6)</sup> (\$)	OTHER ANNUAL COMPENSATION (\$)	SECURITIES AWARDED		PAY OUTS	
					SECURITIES UNDER OPTIONS/SARS GRANTED (#)	RESTRICTED SHARES OR RESTRICTED SHARE UNITS (\$)	LTIP PAY-OUTS (\$)	
Vic Alboini <sup>(1)</sup> President & CEO	2006	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2004	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
Doug Chornoboy <sup>(2)</sup> CFO	2006	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
	2004	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil
John Francis <sup>(3)</sup> Vice-President Finance and CFO	2006	72,916	20,000	Nil	Nil/ Nil	Nil	Nil	251,700
	2005	125,000	20,000	Nil	Nil/ Nil	Nil	Nil	1,900
	2004	128,583	30,000	Nil	175,000/Nil	Nil	Nil	1,292
Somerset Parker <sup>(4)</sup> Vice-President Marketing and Corporate Development	2006	31,250	50,000	Nil	Nil/Nil	Nil	Nil	251,700
	2005	125,000	20,000	Nil	Nil/Nil	Nil	Nil	1,900
	2004	113,333	100,000	Nil	112,000/Nil	Nil	Nil	1,292
Richard Weizenbach <sup>(5)</sup> Executive Vice- President and COO	2006	191,667	150,000	Nil	Nil/Nil	Nil	Nil	240,440
	2005	176,667	70,400	Nil	Nil/Nil	Nil	Nil	1,869
	2004	Nil	Nil	Nil	Nil/Nil	Nil	Nil	Nil

- (1) Mr. Alboini became an officer of the Company on December 6<sup>th</sup>, 2006. No compensation was paid to Mr. Alboini in fiscal 2006.
- (2) Mr. Chornoboy became an officer of the Company on December 6<sup>th</sup>, 2006. No compensation was paid to Mr. Chornoboy in fiscal 2006.
- (3) Mr. Francis was Vice-President and CFO until he resigned on December 6, 2006. Included in all other compensation are amounts representing termination fees of \$250,000 and parking expenses of \$1,700.
- (4) Mr. Parker resigned as Vice-President Marketing and Corporate Development on March 31, 2006. Included in other annual compensation are amounts representing termination fees of \$250,000 and parking expenses of \$1,700.
- (5) Mr. Weizenbach resigned as Executive Vice- President and COO on December 15, 2006. Included in other annual compensation are amounts representing an accrued termination fees of \$200,000, vacation pay of \$38,740 and parking expenses of \$1,700.
- (6) Bonus paid in the financial year.

***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.

<b>NEO Name</b>	<b>Securities, Under Options/SARs Granted (#)</b>	<b>Percent of Total Options/SARs Granted To Employees In Financial Year</b>	<b>Exercise or Base Price (\$/Security)</b>	<b>Market Value of Securities Underlying Options/SARs on the Date Of Grant (\$/Security)</b>	<b>Expiration Date</b>
Vic Alboini	Nil	Nil	n/a	n/a	n/a
Douglas Chornoboy	Nil	Nil	n/a	n/a	n/a
John Francis	Nil	Nil	n/a	n/a	n/a
Somerset Parker	Nil	Nil	n/a	n/a	n/a
Richard Weizenbach	500,000	100%	\$0.30	\$0.295	July 17, 2011

***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. The value of unexercised options represents the difference between the exercise price of in-the-money stock options and the closing market price (\$0.225) for the common shares of the Company on the Toronto Stock Exchange (the "TSX") on December 31, 2006, assuming all stock options were exercised on that date.

<b>NAME</b>	<b>SECURITIES ACQUIRED ON EXERCISE (#)</b>	<b>AGGREGATE VALUE REALIZED (\$)</b>	<b>UNEXERCISED OPTIONS AT FY-END (#) EXERCISABLE/ UN-EXERCISABLE</b>	<b>VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END (\$) EXERCISABLE/ UN-EXERCISABLE</b>
Vic Alboini	Nil	Nil	Nil/Nil	Nil/Nil
Douglas Chornoboy	Nil	Nil	Nil/Nil	Nil/Nil
John Francis	Nil	Nil	279,000/Nil	Nil/Nil
Somerset Parker	Nil	Nil	312,000/Nil	Nil/Nil
Richard Weizenbach	Nil	Nil	300,000/400,000	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 Stature Inc. (“Stature”), a company wholly owned by Vic Alboini, and Vic 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 Company’s 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 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 Company’s 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 entirely of independent directors.

### ***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 shareholders of the Company; 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 a 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.

### **Stock Option Plan**

Under the Jaguar Stock Option Plan, grants of options are made to key employees, including Named Executive Officers and directors of the Company. This component of compensation is intended to retain the services of valued employees, motivate them to take actions that enhance shareholder value and align their interests with those of Jaguar Shareholders.

The Board of Directors, upon recommendation from the Compensation Committee, manages the Jaguar Stock Option Plan with full authority and considers the grant of options annually. The number of options granted each year is recommended by the President and Chief Executive Officer to the Compensation Committee based on his assessment of the performance or contribution of each individual, and the Compensation Committee in turn makes recommendations to the Board of Directors. The Board of Directors may take into consideration the number and term of options previously granted when making the decision to grant additional options.

### **Compensation of Directors**

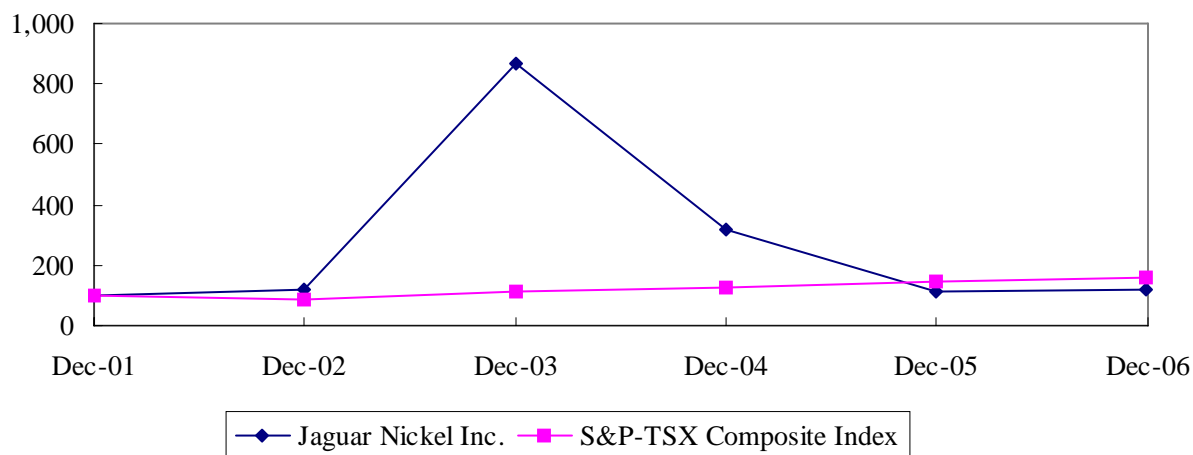
The directors of the Company receive an annual director's fee of \$5,000 payable quarterly and an attendance fee of \$1,000 per meeting attended in person or by telephone and out-of pocket expenses relating to attendance at a Board or committee meeting. The Chairman of the Board of Directors receives 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 \$144,440 to the directors in their capacities as such during the financial period ended December 31, 2006.

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, 2001 and ending December 31, 2006.

#### **Comparative of Five Year Cumulative Total Return**



	Dec. 31, 2001	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006
Jaguar Nickel Inc.	\$100	\$117	\$871	\$317	\$113	\$119
S&P/TSX Composite Index	\$100	\$86	\$110	\$123	\$145	\$159

(1) \$100 invested on December 31, 2001 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 \$13,414 in 2006 in respect of the renewal of the policy for the period from June 9, 2006 to June 9, 2007.

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.

## 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 Northern Securities Inc. ("NSI"). NSI acts as investment advisor for the Company and receives commissions on any securities transaction undertaken by the Company.

## OTHER BUSINESS

### *Company Name Change*

On February 23, 2007 Jaguar announced its intention to change the focus of the Company from a mineral exploration company to a merchant bank, focused on creating value for Jaguar's shareholders by making investments in undervalued companies in various industry sectors. To better reflect the nature of the ongoing business of the Company, it is proposed to rename the Company from Jaguar Nickel Inc. to Jaguar Financial Inc. Shareholders of the Company are being asked to approve, ratify and confirm Special By-Law A-2007 adopted by the Board of Directors on June 4, 2007, which reads as follows:

### **Special By-Law A-2007**

Be it and it is hereby enacted as Special By-Law A-2007 of the Company:

- (a) THAT the name of the Company be changed to Jaguar Financial Inc., *Société financière Jaguar Inc.*, or such other name acceptable to the *entreprise registrar*;
- (b) THAT Section 1 of the Articles of Incorporation of the Company be repealed and replaced by the following: "Jaguar Financial Inc.", "*Société financière Jaguar Inc.*";
- (c) THAT the Company file Articles of Amendment as well as any required form or document pursuant to the Companies Act (Quebec);
- (d) THAT any director or officer of the Company be and he is hereby authorized to sign on behalf of the Company, any form as well as Articles of Amendment, such signature being evidence of the authorization of the Company to file such Articles as well as doing any other act necessary to give effect to the foregoing;
- (e) THAT the Board of Directors of the Company be and it is hereby authorized to annul the present By-Law to the issuance of the Articles of Amendment.

The resolution must be approved by two thirds of the votes cast.

**Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the renaming of the Company from Jaguar Nickel Inc. to Jaguar Financial Inc.**

#### **APPROVAL OF CIRCULAR**

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

#### **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 2700, 401 Bay Street, 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's 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 2700, 401 Bay Street, Toronto, Ontario M5H 2Y4. These documents are also available free of charge from the Internet at the SEDAR website: [www.sedar.com](http://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.

#### **CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. The contents and the sending of the Proxy Circular have been approved by the Board of Directors.

DATED at Toronto Ontario, this 4<sup>th</sup> day of June, 2007.

(s) Vic Alboini  
\_\_\_\_\_  
Vic Alboini  
Chairman and Chief Executive Officer

(s) Richard Pinkerton  
\_\_\_\_\_  
Richard Pinkerton  
Secretary

**Schedule "A"**  
**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**  
**JAGUAR NICKEL 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 five persons. Of those five persons, three are independent: Sam Di Michele, Joseph Panetta and Norman Peter Stern.  |
| 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.   | A majority of the Company's directors are independent.   |
| 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.  |
| 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 18 occasions in 2006.

The following table sets forth the number of board and committee meetings held and attendance by directors for the year ended December 31st, 2006:

<b>Director</b>	<b>Board of Directors and Committee Meetings Attended (in person or by phone)</b>
Andrew Adams	17 of 17
Michel Blouin	15 of 17
John Eby	16 of 17
David Goldman	17 of 17
Warren Holmes	16 of 17
John McAdam	15 of 17
John Yates	6 of 7
Wes Roitman	1 of 1
Sheldon Esbin	1 of 1
Vic Alboini	1 of 1
Doug Chornoboy	1 of 1
Richard Pinkerton	1 of 1

**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

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

CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

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

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.

## **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.

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.

The Company has not filed any material change report during the financial year ended December 31, 2006 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.

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.

- c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Board does not currently have a formal committee.

## **7. Compensation**

- a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

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.

- 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.

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

- c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

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.

- 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.

**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.

**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.

---