

COUGAR TO RAISE \$1.150m TO ACCELERATE PROJECTS

- Firm commitments received to raise \$1.150m via an oversubscribed share placement managed by GTT Ventures.
- Proceeds to accelerate exploration activities at Cougar's graphite and lithium projects.
- Drilling program expected to commence at graphite project in coming days.

Cougar Metals NL (ASX Code: CGM) ("**Cougar**" or the "**Company**") is pleased to announce a share placement to professional and sophisticated investors (under section 708 of the Corporations Act, 2001) utilising the Company's 15% placement capacity (under ASX listing Rule 7.1) and 10% enhanced placement capacity (under ASX Listing Rule 7.1A).

In total, 164,285,714 new shares will be issued at an average price of 0.7 cents per share to raise \$1.15 million.

The placement is being managed by leading boutique corporate advisory firm GTT Ventures; which will be entitled to a fee of 6% of moneys raised.

In addition, GTT Ventures will be issued 20 million unlisted options exercisable at 1.5 cents on or before 31 March 2018, along with 10 million unlisted options exercisable at 1.7 cents on or before 31 March 2019.

GTT Ventures has received firm commitments exceeding the \$1.15 million sought by the Company, and the process of allocation and allotment is expected to be completed in coming days.

The funds will be used to aggressively advance the Cougar's *Toamasina Saprolitic Graphite Project* located in east central Madagascar and to undertake initial exploration activities at Cougar's *Solonopole Lithium Project* in Brazil.

Commenting upon the placement, Mr Swick (Chairman and Managing Director) stated: "The past few years have been particularly tough for Cougar's Board, management and shareholders; however, the recent acquisitions in graphite and lithium give reason for optimism and the funding support we have received is a vote of confidence in the prospectivity of the projects. We are confident that these projects will deliver significant value to Cougar and its shareholders."

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Specifically, the funds will be applied as follows:

Toamasina Saprolitic Graphite Project, Madagascar

- logistical support and infrastructure for the impending drilling program;
- a drill program of approximately 100 holes for a total of 3,000 metres, to test and establish a resource over the central 1km of a 2.5km mineralized zone previously identified through pitting and trenching work conducted by the Vendor during 2015;
- a 1,000m trenching program to assess additional areas of mineralisation and obtain metallurgical test samples;
- final payments to vendor of A\$200,000 plus US\$150,000;
- completion of a NI43-101 resource estimate (following the drill program); and
- related assaying and metallurgical test-work.

Solonopole Lithium Project, Brazil

- a mapping and soil sampling program to test the four target areas identified by Southern GeoScience Consultants. The targets were delineated from airborne magnetics and radiometric signatures along with Landsat and Aster processed data – refer ASX announcement of 8 March 2017 for further detail;
- assaying; and
- preliminary metallurgical test-work.

Remaining funds will be utilised for working capital.

Placement

In total, 164,285,714 new shares are to be issued.

Of these, 99,790,279 shares are to be issued under the Company's 15% placement capacity (under ASX listing Rule 7.1), and 64,495,435 are to be issued under the Company's 10% enhanced placement capacity (under ASX Listing Rule 7.1A).

Information Disclosure under ASX Listing Rule 3.10.5A and 7.1A.4 (b)

- a) existing holders of the Company's securities will be diluted by 7.77% following the issue under ASX Listing Rule 7.1A.
- b) the Company initially proposed an issue under ASX listing Rule 7.1 however demand was such that the Company extended the offer to include a portion of the capacity available under ASX Listing Rule 7.1A. The Company will consider a pro-rata issue to existing holders of ordinary securities in due course.
- c) The Placement is not underwritten.
- d) A fee of 6% or \$27,088.08 will be paid on the funds raised in relation to the shares being issued under ASX Listing Rule 7.1A.

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We welcome enquiries for further information. Please contact the undersigned via email at r.swick@cgm.com.au or alternatively contact Michael Fry (Director, CFO & Company Secretary) on +61 8 9381 1755.

Yours sincerely
COUGAR METALS NL

A handwritten signature in black ink that reads "Randal Swick". The signature is written in a cursive style.

RANDAL SWICK
Executive Chairman

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