

10 September 2014

Company Announcement Office  
ASX Limited  
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PERTH WA 6000

Dear Sirs

### DRILLING BUSINESS UPDATE

Cougar Metals NL (ASX Code: CGM) is pleased to provide an update with respect to its wholly owned subsidiary Geologica Sondagens Ltda (**Geologica**) – a contract drilling services provider in Brazil.

Geologica is a specialist contract drilling services provider which was established in 2007 as a spin-off from the exploration activities of Cougar Metals NL in Brazil.

Geologica owns a fleet of ten (10) drilling rigs and operates across a number of commodities including iron ore, phosphate, nickel, coal, limestone, and other industrial minerals. Its service offering includes: Surface Diamond Coring, Air core, Reverse Circulation and Rotary Air Blast.

Geologica has recently negotiated three drilling contracts, as follows:

- a contract to provide ~1,000 metres of diamond core infill drilling for iron ore in the state of Minas Gerais – currently underway;
- a contract to provide ~5,500 metres of reverse circulation drilling for mineral sands in the state of Rio Grande do Sul – currently underway; and
- a contract to provide ~10,000 metres of reverse circulation drilling for advanced greenfields exploration at a remote location in the north of the state of Mato Grosso – currently mobilising.

The value of the drilling contracts described above is estimated at R\$3.5 million (~AUD\$1.7 million).

As a consequence of the above contracts, Geologica will soon have five of its drill rigs in work; and is pursuing opportunities for the remainder of its drill rig fleet.

For further information please contact the undersigned via email at [r.swick@cgm.com.au](mailto:r.swick@cgm.com.au) or alternatively contact Michael Fry (CFO & Company Secretary) on +61 8 9381 1755.



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