COUGAR METALS NL
AND CONTROLLED ENTITIES
(Subject to Deed of Company Arrangement)

ABN 27 100 684 053

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2019

Directors (Administrators appointed)
Randal Swick
David Symons
Scott Reid

Company Secretary
Ben Donovan

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Your Directors present their report on Cougar Metals NL (the "Company") and its controlled entities (together referred to as the "Group") for the half year ended 31 December 2019.

DIRECTORS
The names of the Directors of the Company in office and at any time during, or since the end of the period are:

Randal Swick	Executive Chairman
David Symons	Non-Executive Director
Scott Reid	Non-Executive Director (Appointed 1 August 2019)
Brian Thomas	Non-Executive Director (Resigned 1 August 2019)

Directors have been in office since the start of the financial period and up to the date of this report unless otherwise stated.

COMPANY SECRETARY
Ben Donovan

PRINCIPAL ACTIVITIES
The principal activities of the Company during the course of the period were:

i) Geological review of the Pyke Hill Nickel-Cobalt laterite deposit to upgrade the existing resource to JORC 2012 standards and continuing assessment of development options for the project;
ii) Preliminary geological assessment of the Plateado Cobalt Project in Chile and the Ceara Lithium Project in Brazil;
iii) Geological assessment of the Toamasina Saprolitic Graphite Project, Madagascar and subsequent arbitration proceedings following a dispute with the Company's joint venture partner DNI Metals Inc ("DNI"); and
iv) Finalisation of arbitration proceedings with Kenora Prospectors & Miners ("KPM") over the KPM property in the Shoal Lake Region of Ontario, Canada.

OPERATING RESULTS
The Statement of Profit or Loss and Other Comprehensive Income shows a net loss from ordinary activities after tax for continuing operations attributable to the members of the Group for the half year ended 31 December 2019 of $405,176 (31 December 2018 net loss: $1,287,681) and from continuing and discontinued operations of $587,204 (31 December 2018 net loss: $1,350,614). The net asset deficiency of the Consolidated Entity as at 31 December 2019 was $8,796,043 (30 June 2019: $8,207,975).

REVIEW OF OPERATIONS

Toamasina / Vohitsara Graphite Project (Madagascar)
On 24 July 2019, DNI Metals Inc issued a Notice of Breach claiming that Cougar had breached the Settlement Agreement between the parties (see ASX release dated 25 September 2018), by making public derogatory statements about DNI and its management, despite the cited examples being taken from a private conversation.

The Settlement Agreement provides for the suspension of payments to Cougar in the event of an alleged breach of the agreement. Cougar's position was that DNI was abusing this clause to prevent the payment due to Cougar, on 25 July 2019, and the subsequent triggering of the remaining settlement amount of CAD 2.25M falling immediately due.

Cougar commenced an arbitration process, and a hearing on 18 November 2019 ruled that whilst Cougar had breached the agreement by making public statements, the arbitrator ruled that the settlement agreement remained in place and DNI remained liable for the payment of the remaining CAD 2.25M immediately. The initial award was delivered on 2 December 2019 with clarification of the award deliver on 7 December 2019.

The arbitrator found that Cougar had breached the Settlement Agreement by making disparaging remarks to a DNI shareholder regarding DNI's management, but the arbitrator found that DNI had not proven nor suffered any damages. DNI was ordered to pay Cougar CAD 4,250 and the award also directed that the payment of CAD 50,000 from DNI to Cougar due on the 25 July 2019 to rectify a default, was due and payable on 4 December 2019. DNI failed to make the payment due on 4 December and, in accordance with the settlement agreement, the full remaining settlement amount of CAD 2.5M became due and payable.

Ceara Lithium Project (Brazil)
The Ceara Lithium project comprises 19 tenements covering 28,666 Ha, located in north-eastern Brazil, near the town of Solonopole, and contains 10 historically producing lithium workings.

As announced by the Company on 6 February 2019, Cougar and the vendor amended the earn in terms on the Ceara Lithium Project in Brazil (the Project) initially announced to the ASX on 3 August 2016. The restructure of the joint venture is part of the Company's ongoing strategy to reduce its exposure to Brazil and return focus to more stable mineral exploration jurisdictions such as Australia.

Administrative work only was conducted during the period on this project and the Company has reduced its interest in the project to a 25% contributing interest.

Shoal Lake East Gold Project (Canada)
Following arbitration proceedings between Cougar and Kenora Prospectors and Miners (KPM), the final award including damages, costs and interest totalling CDN$2.514 million was awarded to Cougar, in January 2019. As KPM does not have sufficient cash to meet any payment of the award, Cougar is currently taking steps to have the award enforced. The recovery efforts of the award may entail the forced sale of KPM's Shoal Lake East Gold Project in the absence of an alternative arrangement.

Pyke Hill Project (Western Australia)
In 2004 Cougar Metals entered into an option agreement to acquire the Nickel and Cobalt Laterite rights of M39/159 (Pyke Hill) with the 100% legal owner, Greater Australian Gold (GAG). At that time Richfile Pty Ltd (Richfile), a company in liquidation since 1998, was entitled to a 50% equitable interest in the tenement. Richfile's liquidator was aware of, acquiesced and did not object to the option agreement and was not a signatory to the option agreement, as Richfile held no legal ownership.

In September 2005, Richore Pty Ltd (Richore) purchased Richfile's 50% beneficial interest in tenement M39/159 (Pyke Hill) from the liquidators of Richfile Pty Ltd (Richfile), specifically subject to the option agreement.

In October 2018, Richore brought a plaint before the Western Australian Mining Warden seeking the partial removal of a caveat, held by Cougar, over the entire Mining Tenement M39/159, in respect to Richore's 50% interest in the tenement.

A warden's court hearing was held on 23 July 2019, where the validity of Cougar's option was argued. The Warden handed down its decision on 30 April 2020 stating that he was "satisfied that Cougar has established there is a serious question to be tried in that there is a prima facie case with sufficient likelihood of success that it has an interest in the whole M39/159". In addition, the Warden stated that on balance there would be a lower risk of injustice by maintaining Cougar's caveat over the tenement.

Drilling Business
The Company continues to market the remaining drilling equipment in Brazil and divesting its non-core subsidiaries in order to simplify the group's corporate structure and remove unnecessary holding and corporate costs.

CORPORATE EVENTS

- The Company announced on the 6th June 2018 that it had entered into a funding agreement with the Australian Special Opportunity Fund, LP, an entity managed by New York based, The Lind Partners, LLC (Together, Lind), for funding of up to A$3.15 million.
- On 25 July 2019, the Company received a conversion request from Australian Special Opportunities Fund (ASOF) (to convert a $50,000 convertible note to 55,555,555 shares in the Company pursuant to a funding agreement (see ASX release dated 6th June, 2018 for further details).
- On 20 August 2019, the Company announced that it had not complied with the conversion notice from ASOF. ASOF then issued a default notice claiming that the ASOF debt of $810,000 plus interest was payable by 7 November 2019.
- On 1 October 2019, the shares in the Company were suspended for failing to lodge the Annual Accounts and the Company was suspended from the Australian Securities Exchange.

AFTER BALANCE DATE EVENTS

- On 5 February 2020, ASOF issued a creditors statutory demand for payment in the amount of $886k.
- On 4 June 2020, ASOF applied to the Federal Court of Australia to have the Company wound up in liquidation.
- On 30 June 2020, the Board of Directors appointed Bryan Hughes and Daniel Bredenkamp of Pitcher Partners as Joint and Several Administrators of the Company pursuant to section 436E of the Corporations Act 2001. At the meeting, creditors ratified the appointment of Administrator. Creditors also elected not to appoint a Committee of Inspection to the Company.
- The Company sold three drilling rigs receiving a total of $283,800 in 2020.
- On 3 August 2020, the second meeting of creditors was held. At the meeting creditors resolved that the Company execute a Holding Deed of Company Arrangement (Holding DOCA).
- On 24 August 2020, the Company announced that following a resolution passed by creditors at the second meeting of creditors, the Company executed a Holding DOCA on 20 August 2020 and Bryan Hughes and Daniel Bredenkamp were appointed Joint and Several Deed Administrators of the Company on the same day.
- On 8 September 2020, ASOF withdrew their application to wind up the Company.
- On 26 October 2020, the Company filed a plaint with the Warden's Court seeking a declaration that the Company holds all Nickel and Cobalt Laterite rights (**Rights**) of M39/159 (Pyke Hill tenements) pursuant to the terms of the Option Agreement executed with Greater Australia Gold Pty Ltd (now Pyke Hill Resources Pty Ltd) and the Company on 30 April 2004 (**Option Agreement**) (**Plaint**).
- On 13 November 2020, Pyke Hill Resources Pty Ltd issued a Notice of Termination in regard to the Option Agreement claiming the Company has not kept the Pyke Hill tenements in good standing. The Company subsequently responded denying that the Option Agreement had been lawfully terminated, noting that the termination was invalid and of no force and effect because no right of termination arose under the terms of the Option Agreement or otherwise at common law. The first hearing for the Plaint is scheduled to be held in April 2021.
- On 1 December 2020, the Company announced that following a resolution passed by creditors at the third meeting of creditors, the Company varied the Holding DOCA to extend its sunset date by 3 months to 20 February 2021.
- On 4 March 2021, the Company announced that following a resolution passed at the fourth meeting of creditors, the Company varied the Holding DOCA to extend its sunset date by three months from 20 February 2021 to 20 May 2021.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years except as stated below.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2019 is set out on page 7.

Signed in accordance with a resolution of the directors, made pursuant to s306(3) of the Corporations Act 2001.

Randal Swick

Randal Swick
Executive Chairman

Dated 12 March 2021

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Cougar Metals NL for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 12th day of March 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Continuing operations			
Finance income		21	183
Other income		-	-
		21	**183**
Accounting and audit expenses		(29,787)	(65,841)
Corporate expenditure and professional fees	2	(195,822)	(287,054)
Doubtful debts write-back		-	930
Exploration expenditure		(56,970)	-
Finance costs		(86,814)	(173,366)
Foreign exchange gain / (loss)		(82)	13,070
Legal expenses		(30,311)	(671,356)
Office administration expenses		(1,294)	(8,699)
Operating expenses	2	(4,117)	(95,548)
Loss from continuing operations before income tax		**(405,176)**	**(1,287,681)**
Income tax benefit		**-**	-
Loss for the year after income tax from continuing operations		**(405,176)**	**(1,287,681)**
Discontinued operations			
Loss for the year after income tax from discontinued operations	5b	(182,028)	(62,933)
Loss for the year		**(587,204)**	**(1,350,614)**
Other comprehensive income			
Exchange (loss) / gain arising on translation of foreign operations		(864)	3,417
Total comprehensive loss for the year		**(588,068)**	**(1,347,197)**
Loss per share from continuing operations			
Basic loss per share (cents)	3	(0.03)	(0.14)
Diluted loss per share (cents)	3	(0.03)	(0.14)
Loss per share from continuing and discontinued operations			
Basic loss per share (cents)	3	(0.05)	(0.14)
Diluted loss per share (cents)	3	(0.05)	(0.14)

The accompanying notes form part of this financial report.

	Note	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	16,238	186,260
Trade and other receivables		29,407	4,350
Other assets		-	6,131
		45,645	196,741
Assets classified as held for sale	5a	1,347	1,381
Total Current Assets		**46,992**	**198,122**
Total Assets		**46,992**	**198,122**
LIABILITIES			
Current Liabilities			
Trade and other payables	6	2,396,275	2,171,478
Loans and borrowings	7	1,232,800	1,121,483
		3,629,075	**3,292,961**
Liabilities directly associated with assets classified as held for sale	5a	5,213,960	5,113,136
Total Current Liabilities		**8,843,035**	**8,406,097**
Total Liabilities		**8,843,035**	**8,406,097**
Net Liabilities		**(8,796,043)**	**(8,207,975)**
EQUITY			
Issued capital	8	28,912,223	28,912,223
Reserves	9	(504,417)	(503,553)
Accumulated losses		(37,203,849)	(36,616,645)
Net Deficit		**(8,796,043)**	**(8,207,975)**

The accompanying notes form part of this financial report.

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Net Deficit $
Balance at 1 July 2018	**28,580,190**	**(34,669,006)**	**331,520**	**(688,516)**	**(6,445,812)**
Loss for the period	-	(1,350,614)	-	-	(1,350,614)
Foreign currency translation	-	-	-	3,417	3,417
Total comprehensive income for the period	-	(1,350,614)	-	3,417	(1,347,197)
Equity issued during the half-year (net of issue costs)	50,000	-	-	-	50,000
Collateral shares forgiven	30,000	-	-	-	30,000
Convertible note costs	-	-	50,000	-	50,000
Expiry of options	-	90,347	(90,347)	-	-
Balance at 31 December 2018	**28,660,190**	**(35,929,273)**	**291,173**	**(685,099)**	**(7,663,009)**
Balance at 1 July 2019	**28,912,223**	**(36,616,645)**	**188,412**	**(691,965)**	**(8,207,975)**
Loss for the period	-	(587,204)	-	-	(587,204)
Foreign currency translation	-	-	-	(864)	(864)
Total comprehensive income for the period	-	(587,204)	-	(864)	(588,068)
Balance at 31 December 2019	**28,912,223**	**(37,203,849)**	**188,412**	**(692,829)**	**(8,796,043)**

The accompanying notes form part of this financial report.

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(170,077)	(836,447)
Interest received		21	183
Net cash used in operating activities		(170,056)	(836,264)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	387,070
Payments for exploration and evaluation		-	(47,825)
Net cash generated by investing activities		-	339,245
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from convertible notes		-	500,000
Proceeds from the issue of shares		-	50,000
Proceeds from loan		-	433,537
Repayment of borrowings		-	(244,431)
Net cash generated by financing activities		-	739,106
Net (decrease) / increase in cash and cash equivalents held		(170,056)	242,087
Cash and cash equivalents at beginning of financial period		187,641	24,543
Cash and cash equivalents at end of financial period	4b	**17,585**	**266,630**

The accompanying notes form part of this financial report.

1 Basis of Preparation and Significant Accounting Policies

(a) Corporate Information

The consolidated interim financial report of the Group for the half year ended 31 December 2019 was authorised for issue in accordance with a resolution of directors on 12 March 2021. Cougar Metals NL is a no liability company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors Report.

(b) Statement of Compliance

This consolidated interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Cougar Metals NL during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

(c) Basis of Preparation

The accounting policies and methods of computation adopted in the preparation of this consolidated interim financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2019, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Adoption of New and Revised Accounting Standards

In the half-year ended 31 December 2019, the Group has applied all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. The accounting policies adopted by the Group are consistent with those of the previous financial period, except as follows:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classification of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit and loss as incurred.

A liability corresponding to the capitalised lease will also be recognised adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the lease asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

1 Basis of Preparation and Significant Accounting Policies (Continued)

(d) Adoption of New and Revised Accounting Standards (Continued)

The standard will affect primarily the accounting for the Group's operating leases. As at reporting date, the Group did not have any material non-cancellable operating leases. The adoption of AASB 16 for the half-year ending 31 December 2019 did not have any impact on the transactions and balances recognised in the Condensed Consolidated Interim Financial Report as the Group does not have any leases that fall under the scope of AASB 16.

Accounting Standards in Issue but Not Yet Effective
Any new or amended Accounting Standards or that are not yet mandatory have not been early adopted.

(e) Going Concern

The financial report has been prepared on a non-going concern basis, as a result of the circumstances detailed below.

The Group has incurred a loss for the half year of $587,204 (31 December 2018 loss: $1,350,614) and net cash outflows from operating activities of $170,056 (31 December 2018 outflows: $836,264). The loss during the half year is in part due to difficult trading conditions in its contract drilling services business of which a decision has been made by the Board to discontinue these operations (refer Note 5). The loss from discontinued operations during the half year was $182,028 (31 December 2018 loss: $62,933).

As at 31 December 2019, the Consolidated Entity has a deficiency in net assets of $8,796,043 (30 June 2019: deficiency $8,207,975). As disclosed in Note 5, the net liabilities of the disposal group as at 31 December 2019 was $5,212,613 (30 June 2019: $5,111,755), as such the net liability position of the consolidated entity excluding the proposed disposal of the drilling operations was $3,583,430 at balance date (30 June 2019: $3,096,220).

In June 2019, the Group had made the decision to cease all operations. As a result, Daniel Bredenkamp and Bryan Hughes from Pitcher Partners were appointed the Joint and Several Administrators of the Company on 30 June 2020 following a resolution passed by the Directors of the Company pursuant to section 436A of the Corporations Act 2001.

At present Pitcher Partner are undergoing an independent review and investigation of the affairs of the Company and will provide creditors with information and recommendation to assist creditors to decide upon the Company's future.

Under the non-going concern basis, assets have been recorded at their net realisable values and liabilities are recorded at the contractual settlement amounts. In addition, all assets and liabilities have been classified as current since it is expected that the assets will be converted into cash and liabilities will be settled within twelve months after the date of signing this financial report.

Pursuant to the terms of the Holding Deed of Company Arrangement (**Holding DOCA**) executed on 20 August 2020, the Deed Administrators were required to prepare and provide a report to creditors on or before 20 November 2020 with information and a recommendation to assist creditors to decide upon the Company's future. Subsequently, on 26 November 2020 a third meeting of creditors was held. At this meeting, creditors resolved to vary the Holding DOCA to extend its sunset date by three months from 20 November 2020 to 20 February 2021. The varied Holding DOCA was subsequently executed on 27 November 2020.

1 Basis of Preparation and Significant Accounting Policies (Continued)

(e) Going Concern (Continued)

The purpose of the variation to the Holding DOCA was to provide the Deed Administrators with further time to:

- explore the sale of the Company's assets and/or the recapitalisation and restructure of the Company; and
- complete investigations into the Company's business, property and affairs.

Following this, the Deed Administrators progressed the realisation program and their investigations into the Company's business, property and affairs.

The Deed Administrators received two DOCA proposals, however due to legal issues arising from transferring the Company's rights to the Nickel and Cobalt Laterite rights under the option agreement entered into with Greater Australia Gold Pty Ltd (now Pyke Hill Resources Pty Ltd) on 30 April 2004 (**Option Agreement**) the Deed Administrators were unable to recommend DOCA Proposal to creditors by the sunset date of 20 February 2021. As a result, the Deed Administrators prepared and issued a further report to creditors on 19 February 2021 recommending a variation to the Holding DOCA to extend the sunset date a further three months from 20 February 2021 to 20 May 2021. Subsequently, at the fourth meeting of creditors held on 2 March 2021, creditors resolved to vary the Holding DOCA to extend its sunset date to 20 May 2021. The purpose of the variation to the Holding DOCA was to provide additional time for the Deed Administrators to:

- further explore the sale of the Company's assets and/or the recapitalisation and restructure of the Company; and
- seek legal advice regarding the Company's options in relation to the Rights under the Option Agreement.

The varied Holding DOCA preserves the option of entering into a subsequent DOCA (if appropriate) and thus achieves the objective of the voluntary administration process by:

- maximising the chances of the Company, or as much as possible of its business, continuing in existence; and
- if its not possible for the Company or its business to continue in existence, it results in a better return for the Company's creditors and members than would result from an immediate winding up of the Company.

Further to this, it does not exclude the possibility of winding up the Company in the future.

The next step in the administration process is for a report to creditors to be prepared and issued on or before 20 May 2021 with a subsequent meeting to be held on or before 28 May 2021 to decide on the future of the Company, being either:

- a further variation of the Holding DOCA to facilitate a transaction and/or recapitalise and restructure the Company; or
- the termination of the Holding DOCA and the winding up of the Company (i.e. liquidation).

		Consolidated 31 December 2019	Consolidated 31 December 2018
2	**Expenses – Continuing Operations**	**$**	**$**
	Corporate expenditure and professional fees		
	Consultancy fees	18,411	79,472
	Director fees	151,200	172,200
	Share registry fees	1,500	3,425
	Other	24,711	31,957
		195,822	**287,054**
	Operating expenses		
	Consumables	-	45,720
	Travel	3,168	47,826
	Other	949	2,002
		4,117	**95,548**

		Consolidated 31 December 2019	Consolidated 31 December 2018
3	**Loss per share**	**$**	**$**
	Loss from continuing operations after tax	(405,176)	(1,287,681)
	Net loss for the half-year after tax	(587,204)	(1,350,614)
		No.	No.
	Weighted average number of shares used in calculating loss per share	1,176,583,284	941,824,430
		Cents	Cents
	Diluted and undiluted loss per share from continuing operations	(0.03)	(0.14)
	Diluted and undiluted loss per share from continuing and discontinued operations	(0.05)	(0.14)

		Consolidated 31 December 2019	Consolidated 30 June 2019
4	**Cash and cash equivalents**	**$**	**$**
	Cash at bank and in hand	16,238	186,260
	Short-term bank deposits	-	-
		16,238	**186,260**

a) Non-cash financing and investing activities

There were no non-cash financing and investing activities that occurred during the period.

b) Cash and cash equivalents as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

Cash and cash equivalents as per the consolidated statement of financial position	16,238	186,260
Cash and cash equivalents attributable to discontinued operations	1,347	1,381
	17,585	**187,641**

5 Discontinued operations and assets and liabilities held for sale

a) Assets and liabilities held for sale

The Group's discontinued drilling operations comprise of the following companies:

i) Cougar Brasilia Pty Ltd
ii) Geologica Sondagens Ltda
iii) Palinir S.A.

As at 31 December 2019, the Company is still in the process of preparing for the sale of the above operations. The carrying amounts of assets and liabilities of the above operations as at 31 December 2019 are as follows:

	Consolidated 31 December 2019	Consolidated 30 June 2019
Assets classified as held for sale	**$**	**$**
Cash and cash equivalents	1,347	1,381
	1,347	**1,381**
Liabilities directly associated with Assets classified as held for sale		
Trade and other payables	(1,727,944)	(1,716,898)
Provisions	(2,553,313)	(2,472,782)
Loans and borrowings	(932,703)	(923,456)
	(5,213,960)	**(5,113,136)**
Net liabilities	**(5,212,613)**	**(5,111,755)**

5 Discontinued operations and assets and liabilities held for sale (Continued)

	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
b) Financial performance from discontinued operations		
The financial performance of the discontinued operations are as follows:		
Profit on sale of assets	-	329,934
Total income	-	329,934
Expenses	(182,028)	(680,388)
Loss from discontinued operations before tax	**(182,028)**	**(350,454)**
Income tax	-	-
Loss from discontinued operations after tax	**(182,028)**	**(350,454)**
c) Cash flows from discontinued operations		
Net cash (outflows) from operating activities	(90,451)	(206,390)
Net cash inflows from investing activities	-	596,849
Net cash inflows from financing activities	90,417	80,366
Net cash (outflow) / inflow	(34)	470,825

6 Trade and other payables	Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
Current		
Trade payables	2,207,223	1,805,078
Other accruals	189,052	366,400
	2,396,275	**2,171,478**

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. The Payables disclosed are unsecured.

		Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
7	**Loans and borrowings**		
	Current		
	Loan from director related entity – unsecured	482,144	456,602
	Convertible note face value	960,000	960,000
	Conversion of convertible note	(100,000)	(100,000)
	Convertible note transaction costs *	(109,344)	(195,119)
		1,232,800	**1,121,483**

* Transactions costs are amortised to profit and loss over the term of the convertible note. During the period, $85,775 has been expensed (30 June 2019: $54,273).

Terms and conditions relating to the loan from director related entity:

- The Loan from director related entity – unsecured relates to an advance by Randal Swick (Executive Chairman) and is non interest binding.
- The total amount owing to Randal as at 31 December 2019 amounted to $1,414,847 (30 June 2019: $1,380,058), with $932,703 relating to advances made to discontinued operations (30 June 2019: $923,456).

Terms and conditions relating to the convertible note:

- 2 tranches of convertible notes issued to The Lind Partners, LLC ('Lind') at a face value of $360,000 ($300,000 cash) and $600,000 ($500,000 cash) respectively. Each convertible note is convertible into shares based on its face value and is not convertible for 90 days following the date of issuance ('lock-up period').
- During the lock-up period, the Company will have the right to buy back the Convertible Security for the face value of anytime thereafter at a 5% premium to the face value. After the lock-up period, Lind will have the option to convert the convertible notes and the conversion price applicable to each conversion will be 90% of the average of three consecutive daily VWAPs, chosen by Lind, during the specified period prior to the conversion election, up to a maximum conversion amount of $100,000 in any calendar month. However, Lind can also elect to convert at any time up to 50% of the face value of the convertible notes at a premium conversion price of 130% of the average of the 20 daily VWAPs immediately prior to the execution date of the funding agreement.
- Maximum number of shares that may be issued to Lind in relation to conversion of convertible notes is 192,000,000 ordinary shares.
- The term of the funding agreement is 24 months from date of execution of the funding agreement.

		Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
8	**Issued capital**		
	Ordinary fully paid ordinary shares	28,908,797	28,908,797
	Contributing shares partly paid to $0.01	3,426	3,426
		28,912,223	**28,912,223**

	Consolidated 31 December 2019 $	Consolidated 31 December 2019 No.
Movements in ordinary share capital		
Balance at 1 July 2019	28,912,223	1,176,583,284
No movements in period		
Balance at 31 December 2019	**28,912,223**	**1,176,583,284**

		Consolidated 31 December 2019 $	Consolidated 30 June 2019 $
9	**Reserves**		
	Share based payment reserve	188,412	188,412
	Foreign currency translation reserve	(692,829)	(691,965)
		(504,417)	**(503,553)**

	Consolidated 31 December 2019 $	Consolidated 31 December 2019 No.
Movements in share based payment reserve		
Balance at 1 July 2019	188,412	83,834,752
No movements in period		
Balance at 31 December 2019	188,412	83,834,752

10 Contingent assets and contingent liabilities

The Directors are not aware of any contingent liabilities or contingent assets as at 31 December 2019, with exception of the following.

Shoal Lake East Gold Project

In 2015, Tycoon Gold Resources Inc, a wholly owned subsidiary incorporated in Canada, commenced a legal action against the owner of the Shoal Lake East Gold Project with respect to concerns it has in relation to the owner's conduct and alleged breaches of certain representations and warranties made by the owner under the option agreement, which was referred to arbitration. In February 2016, the results of the arbitration were handed down with Tycoon succeeding on all major matters raised in the arbitration proceedings. The arbitrator awarded Tycoon costs totalling CDN$297,165 on an indemnity basis. The matter remains incomplete pending compliance of the arbitrator's orders. No asset or liability has been recognised in relation to this matter at this time.

10 Contingent assets and contingent liabilities (Continued)

Ceara Lithium Project

The Company and MMH Capital Ltd entered into a Letter of Intent on or about 2 August 2016 (**LOI**) under which the Company was to acquire an 85% interest in approximately 35 tenement applications in Brazil covering an area of ~60,000 Ha that are prospective for lithium mineralisation (**Tenement Applications**). Pursuant to the LOI, the Company agreed to issue, on completion of a definitive legal agreement, subject to available capacity or Shareholder approval, a total of 100,000,000 Shares as consideration for the acquisition of an 85% interest in the Tenement Applications. The Company obtained shareholder approval on 30 November 2017 at its Annual General Meeting and has yet to issue the shares. The value of the shares as at 31 December 2019 is $100,000 using the closing price of $0.001 on 31 December 2019.

11 Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The entity's primary segments are two businesses, being drilling operations, mineral exploration and resource development.

Drilling operations consists of providing rigs, equipment, consumables and services for drilling holes for the purpose of extraction and presentation of rock and soil samples on a contract basis for mining and exploration companies in Brazil and Uruguay. This business depends upon the supply and utilisation of drilling rigs, the skills and training of the drilling services personnel and the ability to negotiate the contracts under which these services are provided to customers.

Mineral exploration and resource development involve the geological pursuit of identifying mineral resource systems for the purposes of extraction and or sale.

During the half year ended 31 December 2019 the consolidated entity operated in the following Geographic Segments: Australia, Brazil, Uruguay, Canada and Madagascar (30 June 2019: Australia, Brazil, Uruguay Canada and Madagascar).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Groups financial statements.

Corporate charges are allocated to reporting segments based on nature of expenditure. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

11 Segment reporting (Continued)

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated item*s
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Impairment of assets and other non-recurring items of revenue or expense

The details of the financial information for each segment are as follows:

	Continuing Operations		**Discontinued Operations**		
	Australian Administration Exploration & Evaluation $	**Canada Exploration & Evaluation $**	**Brazil Drilling Operations $**	**Uruguay Drilling Operations $**	**Total Operations $**
31 December 2019					
Revenue					
Finance income	21	-	-	-	21
Segment revenue	**21**	-	-	-	**21**
Segment profit / (loss) before tax	**(405,019)**	**(157)**	**(97,418)**	**(84,610)**	**(587,204)**
Assets and liabilities					
Segment assets	31,559	14,088	1,345	-	46,992
Segment liabilities	(3,597,067)	(32,007)	(3,066,491)	(2,147,470)	(8,843,035)
Segment net (liabilities)	**(3,565,508)**	**(17,919)**	**(3,065,146)**	**(2,147,470)**	**(8,796,043)**

11 Segment reporting (Continued)

	Continuing Operations		Discontinued Operations		
	Australian Administration Exploration & Evaluation $	**Canada Exploration & Evaluation $**	**Brazil Drilling Operations $**	**Uruguay Drilling Operations $**	**Total Operations $**
30 June 2019					
Assets and liabilities					
Segment assets	196,249	492	1,381	-	198,122
Segment liabilities	(3,260,953)	(32,007)	(3,050,277)	(2,062,860)	(8,406,097)
Segment net (liabilities)	**(3,064,704)**	**(31,515)**	**(3,048,896)**	**(2,062,860)**	**(8,207,975)**
31 December 2018					
Revenue					
Finance income	183	-	-	-	183
Profit on Sale of Assets	-	-	387,070	-	387,070
Segment revenue	**183**	**-**	**387,070**	**-**	**387,253**
Segment profit / (loss) before tax	**(1,288,042)**	**361**	**109,393**	**(172,326)**	**(1,350,614)**

12 Events after balance sheet date

- On 5 February 2020, ASOF issued a creditors statutory demand for payment in the amount of $886k.
- On 4 June 2020, ASOF applied to the Federal Court of Australia to have the Company wound up in liquidation. On 8 September 2020, ASOF withdrew their application to wind up the Company.
- On 30 June 2020, the Board of Directors appointed Bryan Hughes and Daniel Bredenkamp of Pitcher Partners as Joint and Several Administrators of the Company pursuant to section 436E of the Corporations Act 2001. At the meeting, creditors ratified the appointment of Administrator. Creditors also elected not to appoint a Committee of Inspection to the Company.
- The Company sold three drilling rigs receiving a total of $283,800 in 2020.
- On 3 August 2020, the second meeting of creditors was held. At the meeting creditors resolved that the Company execute a Holding Deed of Company Arrangement (Holding DOCA).
- On 24 August 2020, the Company announced that following a resolution passed by creditors at the second meeting of creditors, the Company executed a Holding DOCA on 20 August 2020 and Bryan Hughes and Daniel Bredenkamp were appointed Joint and Several Deed Administrators of the Company on the same day.
- On 8 September 2020, ASOF withdrew their application to wind up the Company.
- On 26 October 2020, the Company filed a plaint with the Warden's Court seeking a declaration that the Company holds all Nickel and Cobalt Laterite rights (**Rights**) of M39/159 (Pyke Hill tenements) pursuant to the terms of the Option Agreement executed with Greater Australia Gold Pty Ltd (now Pyke Hill Resources Pty Ltd) and the Company on 30 April 2004 (**Option Agreement**) (**Plaint**).
- On 13 November 2020, Pyke Hill Resources Pty Ltd issued a Notice of Termination in regard to the Option Agreement claiming the Company has not kept the Pyke Hill tenements in good standing. The Company subsequently responded denying that the Option Agreement had been lawfully terminated, noting that the termination was invalid and of no force and effect because no right of termination arose under the terms of the Option Agreement or otherwise at common law. The first hearing for the Plaint is scheduled to be held in April 2021.

12 Events after balance sheet date (Continued)

- On 1 December 2020, the Company announced that following a resolution passed by creditors at the third meeting of creditors, the Company varied the Holding DOCA to extend its sunset date by 3 months to 20 February 2021.
- On 4 March 2021, the Company announced that following a resolution passed at the fourth meeting of creditors, the Company varied the Holding DOCA to extend its sunset date by three months from 20 February 2021 to 20 May 2021.

No other matter or circumstance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years except as stated above.

13 Commitments

The Directors are not aware of any significant changes from 30 June 2019, in commitments as at 31 December 2019.

1. In the opinion of the Directors of Cougar Metals NL (the "Company"):

   a. The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:

      i. Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half- year then ended; and

      ii. Complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

   b. The interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   c. As disclosed in Note 1 (c), the financial statements have been prepared on a non-going concern basis.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2019.

This declaration is signed in accordance with a resolution of the board of Directors.

Randal Swick
Executive Chairman

Dated 12 March 2021

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Cougar Metals NL

We have reviewed the accompanying half-year financial report of Cougar Metals NL Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cougar Metals NL Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter on Going Concern

We draw attention to Note 1(e) in the financial report, which indicates that the financial statements have been prepared on a non-going concern basis, as a result of the Board's decision to cease all operations and appoint Joint and Several Administrators to the Company. Our conclusion is not modified in respect of this matter.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 12th day of March 2021