

**30 July 2021**

## **June 2020 Quarterly Activities Report**

Cougar Metals NL (Subject to Deed of Company Arrangement) (“Cougar” or “the Company”) provides its activities report for the quarter ended 30 June 2020.

### **ASX Listing of Cougar:**

Cougar remained suspended from the ASX during the quarter.

On 30 June 2020 following a resolution passed by the Directors of the Company pursuant to section 436A of the Act, Bryan Hughes and Daniel Bredenkamp of Pitcher Partners were appointed Joint and Several Administrators of the Company.

At the second meeting of creditors held on 31 July 2020, creditors resolved that the Company execute the DOCA. The DOCA was executed on 20 August 2020 and Mr Hughes and Mr Bredenkamp were appointed Joint and Several Deed Administrators of the Company that same day.

At the third meeting of creditors held on 26 November 2020, creditors resolved to vary the DOCA to extend the sunset date by three months (i.e. from 20 November 2020 to 20 February 2021). The varied DOCA was subsequently executed on 27 November 2020.

At the fourth meeting of creditors held on 2 March 2021, creditors resolved to vary the DOCA to extend the previous sunset date by a further three months (i.e. to 20 May 2021). The varied DOCA was subsequently executed on 2 March 2021.

At the fifth meeting of creditors held on 28 May 2021, creditors resolved to vary the DOCA to extend the previous sunset date by a further four months (i.e. to 20 September 2021). The varied DOCA was subsequently executed on 28 May 2021.

At the sixth meeting of creditors held on 28 July 2021, creditors resolved to execute the Recapitalisation DOCA to facilitate the recapitalisation and restructure of the Company. The Recapitalisation DOCA is expected to be executed on 30 July 2021.

### **Pyke Hill Nickel/Cobalt Project Western Australia (CGM 100% Ni & Co Rights)**

#### **Dispute with Richore Pty Ltd.**

In 2004 Cougar 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 claiming that the option agreement did not apply to their 50% of the tenement.

A warden's court hearing was held on 23 July 2019, where the validity of Cougar's option was argued before Warden J O'Sullivan in the Perth's warden court.

In April 2020 a decision was handed down entirely in Cougar's favour enabling Cougar's caveat to remain in place. The Warden stated in his decision "In my view, Cougar's caveat was directed to protecting all of the lateritic nickel rights which, consistent with the Option Agreement, related to the whole of M39/159".

Subsequent to the quarter Pyke Hill Resources (formerly GAG) issued a purported termination notice to Cougar claiming to terminate the Agreement due to breaches by Cougar. Cougar then reaffirmed its rights under the Option Agreement and brought an action against Pyke Hill Resources, and joined Richore Pty Ltd, in order to have the matter determined by the court.

On July 27, 2021 the matter was heard before Warden Maughan in the Perth Warden's Court. Cougar awaits the Warden's decision.

### **Ceara Lithium Project, Brazil (CGM 25%)**

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 February 6, 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.

In October 2019, the Company reduced its interest in the project to a 25% contributing interest. No significant work was done in this quarter.

Subsequent to the quarter Cougar relinquished all interest in the project.

## **DNI Metals Inc Settlement**

Pursuant to an arbitration ruling of 7 December 2019 DNI Metals Inc remains liable for payment of CAD 2.25M to Cougar pursuant to an agreement dated 24 September, 2018.

In a March 30, 2020 release to the market DNI advised of criminal convictions of the CEO (and acting CFO) Mr Dan Weir in Madagascar.

Contrary to the claims of DNI, the mining licence PE38642 claimed to be held by DNI does not actually exist, and is in fact an application of a mining licence. The grant of the mining licence over Vohitsara is critical to the recovery of monies owed to Cougar by DNI.

Subsequent to the quarter DNI Metals was delisted from CSE on 3 February 2021.

Cougar continues to monitor the grant of the application but has been advised that until Mr Weir's conviction is overturned or Mr Weir is replaced, the issuance of the mining permits is unlikely to take place.

## **Kenora Prospectors and Miners Arbitration Award**

No progress was made during the quarter in the recovery of monies owed to Tycoon Gold Resources (a wholly owned Canadian subsidiary of Cougar) by Kenora prospectors and Miners Inc.

Subsequent to the quarter Tycoon Gold Resources and the Duport Gold Company (a wholly owned Canadian subsidiary of Cougar with no assets) was sold by the administrator for AUD \$115,000.

## **Drilling Business**

During the quarter the Company continued 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.

Subsequent to the quarter the remaining assets in Brazil were sold realising approximately AUD\$269,000 for the company. Cougar Brasilia Pty Ltd – the Australian parent of Geologica Sondagens (Brazil) and Palinir SA (Uruguay) was delisted by ASIC on 31 May 2020 .



(Subject to Deed of Company Arrangement)

This announcement has been authorised by Randal Swick, Executive Chairman, for the purposes of Listing Rule 15.5.

For further information please contact the undersigned via email using [r.swick@cgm.com.au](mailto:r.swick@cgm.com.au).

Yours sincerely

**COUGAR METALS NL (Subject to Deed of Company Arrangement)**

**RANDAL SWICK**

*Executive Chairman*

***Forward Looking Statements***

*Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Cougar Metals NL, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors*

***ASX LISTING RULE 5.23***

*The Company has reported information contained in prior ASX announcements, and has cross referenced these announcements. The Company confirms that it is not aware of any new information or assumptions since those announcements were made that would likely materially change the content of those announcements.*



(Subject to Deed of Company Arrangement)

### Summary of Tenements and Changes

In accordance with ASX Listing Rule 5.3, Cougar advises of the following:

Project (Australia)	Tenement Reference	Interest held by Cougar at 30 March 2020	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2020
Pyke Hill Nickel (Australia)*	M39/159	Ni/Co rights - 100%	-	Ni/Co rights - 100%

\* Cougar holds 100% of the Nickel and Cobalt Laterite rights in relation to the tenement, with tenement ownership to be transferred to Cougar upon the commencement of mining activities.

Project (International)	Tenement Reference	Interest held by Cougar at 30 March 2020	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2020
Shoal Lake Gold (Canada)	MH9	100%	-	100%
Shoal Lake Gold (Canada)	MH10	100%	-	100%
Shoal Lake Gold (Canada)	MH40	100%	-	100%
Shoal Lake Gold (Canada)	D259	100%	-	100%
Ceara Lithium Project	800246/2016	25%	-	25%
Ceara Lithium Project	800235/2016	25%	-	25%
Ceara Lithium Project	800239/2016	25%	-	25%
Ceara Lithium Project	800240/2016	25%	-	25%
Ceara Lithium Project	800241/2016	25%	-	25%
Ceara Lithium Project	800242/2016	25%	-	25%
Ceara Lithium Project	800244/2016	25%	-	25%
Ceara Lithium Project	800245/2016	25%	-	25%
Ceara Lithium Project	800236/2016	25%	-	25%
Ceara Lithium Project	800237/2016	25%	-	25%
Ceara Lithium Project	800238/2016	25%	-	25%
Ceara Lithium Project	800243/2016	25%	-	25%
Ceara Lithium Project	800247/2016	25%	-	25%
Ceara Lithium Project	800248/2016	25%	-	25%
Ceara Lithium Project	800249/2016	25%	-	25%
Ceara Lithium Project	800250/2016	25%	-	25%
Ceara Lithium Project	800251/2016	25%	-	25%
Ceara Lithium Project	800252/2016	25%	-	25%
Ceara Lithium Project	800253/2016	25%	-	25%



**COUGAR**

METALS NL

(Subject to Deed of Company Arrangement)

Project (International)	Tenement Reference	Interest held by Cougar at 30 March 2020	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2020
Ceara Lithium Project	800254/2016	25%	-	25%
Ceara Lithium Project	800255/2016	25%	-	25%
Ceara Lithium Project	800256/2016	25%	-	25%
Ceara Lithium Project	800257/2016	25%	-	25%
Ceara Lithium Project	800473/2016	25%	-	25%
Ceara Lithium Project	800474/2016	25%	-	25%
Ceara Lithium Project	800476/2016	25%	-	25%
Ceara Lithium Project	800477/2016	25%	-	25%
Ceara Lithium Project	800475/2016	25%	-	25%

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**COUGAR METALS NL (ASX CODE: CGM)**

ABN

27 100 684 053

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation (if expensed)	-	(30)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	(27)
	(e) administration and corporate costs	(2)	(42)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	(81)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2)</b>	<b>(180)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – funds from joint ventures	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	29	206
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2)	(180)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	<b>Cash and cash equivalents at end of period</b>	<b>27</b>	<b>27</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7	9
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>27</b>	<b>29</b>

**6. Payments to related parties of the entity and their  
associates**

- 6.1 Aggregate amount of payments to related parties and their  
associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their  
associates included in item 2

**Current quarter  
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**Appendix 5B**  
**Mining exploration entity and**  
**oil and gas exploration entity**  
**quarterly report**

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	-	-

  

7.5 <b>Unused financing facilities available at quarter end</b>	-
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7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(0)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	<b>(2)</b>
8.4	Cash and cash equivalents at quarter end (Item 4.6)	27
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	<b>27</b>
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>13 quarters</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

**Date:** 30 July 2021

*Randal Swick*

Authorised by the Board

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.