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**COUGAR METALS NL**

**ABN 27 100 684 053**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 11:00am (WST)

**DATE:** Monday, 31 July 2017

**PLACE:** 88 Thomas Street, West Perth, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 9482 0580.*

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on Monday, 31 July 2017 at 88 Thomas Street, West Perth, Western Australia.

### YOUR VOTE IS IMPORTANT

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The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 5:00pm (WST) on Friday, 28 July 2017.

### VOTING IN PERSON

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To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:

- (a) **hand** to Ground Floor, 16 Ord Street, West Perth WA 6005;
- (b) **post** to PO Box 902, West Perth, WA 6872; or
- (c) **facsimile** on (+61 8) 9482 0505,

so that it is received not less than 48 hours prior to commencement of the Extraordinary General Meeting.

**Proxy Forms received later than this time will be invalid.**

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## BUSINESS OF THE MEETING

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Notice is hereby given that an Extraordinary General Meeting of Shareholders will be held at 11:00am (WST) on Monday, 31 July 2017 at:

88 Thomas Street  
West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

### BUSINESS

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#### 1. RESOLUTION 1 - ELECTION OF DIRECTOR – MR BRIAN THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 7.3(f) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Brian Thomas, a Director who was appointed casually on 8 June 2017, retires, and being eligible, is elected as a Director."*

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#### 2. RESOLUTION 2 – RATIFICATION OF PLACEMENT OF SHARES UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 99,790,278 Shares, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under ASX listing Rule 7.1 provided that the issue did not breach ASX Listing Rule 7.1. The effect of such ratification is to restore the company's maximum discretionary power to issue further securities up to the limit imposed by ASX Listing Rule 7.1 of 15%.

**Voting Exclusion:** the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – RATIFICATION OF PLACEMENT OF SHARES UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 64,495,436 Shares, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under ASX listing Rule 7.1A provided that the issue did not breach ASX Listing Rule 7.1A. The effect of such ratification is to restore the company's maximum discretionary power to issue further securities up to the limit imposed by ASX Listing Rule 7.1A of 10%.

**Voting Exclusion:** the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

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#### **4. RESOLUTION 4 – FUTURE ISSUE OF SHARES TO MMH CAPITAL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 100,000,000 Shares to MMH Capital Ltd (or its nominee(s)) in relation to the acquisition by the Company of an 85% interest in the Ceara Lithium Project on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company and MMH Capital Ltd entered into a Letter of Intent on or about 2 August 2016 (**LOI**) under which the Company is 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. Under the LOI, the Company has agreed to issue, on completion of a definitive legal agreement, subject to available capacity or Shareholder approval, a total of 100,000,000 Shares to MMH Capital Ltd.

**Voting Exclusion:** the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

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#### **5. RESOLUTION 5 – ISSUE OF OPTIONS TO GTT VENTURES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 30,000,000 Options to GTT Ventures Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company and GTT Ventures entered into a placement mandate under which GTT Ventures was appointed to provide placement services to the Company in relation to the Placement. The issue of Options to GTT Ventures forms part of the consideration payable by the Company for their services.

**Voting Exclusion:** the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

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## 6. RESOLUTION 6 – ISSUE OF SHARES TO MICHAEL FRY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 25,714,286 Shares to Michael Fry (or his nominee), in full and final satisfaction of all amounts owing by the Company to Michael Fry on account of unpaid director fees and unpaid professional service fees as at the date of this Notice of \$180,000.”*

**Short Explanation:** Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.11 require shareholder approval where an entity issues, or agrees to issue, securities to a related party.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Michael Fry (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 7. RESOLUTION 7 – ISSUE OF SHARES TO DAVID SYMONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue up to 4,523,857 Shares to David Symons (or his nominee), in full and final satisfaction of all amounts owing by the Company to*

*David Symons on account of unpaid directors fees as at 31 March 2017 of \$31,667."*

**Short Explanation:** Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.11 require shareholder approval where an entity issues, or agrees to issue, securities to a related party.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by David Symons (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## **OTHER BUSINESS**

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To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

**DATED: THURSDAY, 29 JUNE 2017**

**BY ORDER OF THE BOARD**

**BRETT TUCKER  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the Business of the meeting.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy will not preclude a Shareholder from attending and voting at the Meeting in person.

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### **1. RESOLUTION 1 - ELECTION OF DIRECTOR – BRIAN THOMAS**

#### **1.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Brian Thomas, having been appointed by other Directors on 8 June 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **1.2 Qualifications and other material directorships**

Mr Thomas is the principal of a corporate advisory practice working with small to mid-market capitalisation companies in the areas of corporate finance, mergers & acquisitions and investor relations. He is currently a Non-Executive Chairman and a Non-Executive Director with several ASX listed companies and has held both Executive and Non-Executive roles with numerous other ASX listed and unlisted companies after an extensive career in the financial services sector working in corporate stockbroking, investment banking, funds management and banking.

Mr Thomas graduated from the University of Adelaide with a BSc in Geology and Economic Geology, the University of Western Australia with an MBA and the Securities Institute of Australia (now FinSIA) with a Diploma in Applied Finance and Investment. He has more than 30 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas.

Mr Thomas is currently Non-Executive Director of Orinoco Gold Ltd and a Non-Executive Director of Tempo Australia Limited.

### 1.3 Independence

Mr Brian Thomas has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board that Mr Brian Thomas will be an independent director.

### 1.4 Board recommendation

The Board supports the re-election of Mr Brian Thomas and recommends that Shareholders vote in favour of Resolution 1.

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## 2. RESOLUTION 2 – RATIFICATION OF PLACEMENT OF SHARES UNDER LISTING RULE 7.1

### 2.1 General

On 4 April 2017, the Company issued a total of 164,285,714 Shares ("**Placement Shares**") in a share placement to sophisticated and professional investors ("**Placement**"). The Placement raised a total of \$1.15 million (before costs).

The Placement Shares were issued under the ASX Listing Rules as follows:

- 99,790,278 Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 2; and
- 64,495,436 Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 3.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Accordingly, the Company seeks Shareholder approval to ratify the issue of the Placement Shares the subject of Resolution 2.

### 2.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 99,790,278 Placement Shares were issued;
- (b) the issue price was \$0.0065 per Placement Share, raising a total of approximately \$650,000 (before costs);



- (c) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the Placement Shares were issued to sophisticated and professional investor clients of GTT Ventures and supporting brokers. None of these subscribers are related parties of the Company; and
- (e) the funds raised from the Placement are principally for exploration at the Company's Madagascar Graphite Project and for general working capital.

## **2.3 Directors' Recommendation**

If Resolution 2 is passed, the 15% limit imposed by Listing Rule 7.1 will be renewed to the extent of the ratification.

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

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## **3. RESOLUTION 3 – RATIFICATION OF PLACEMENT OF SHARES UNDER LISTING RULE 7.1A**

### **3.1 General**

Resolution 3 seeks Shareholder ratification of the issue of the 64,495,436 Placement Shares under Listing Rule 7.1A as set out in section 1.1 above.

ASX Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.4 is set out in Section 1.1 above.

The Company received Shareholder approval for the 10% Placement Capacity at the Annual General Meeting held on 29 November 2016.

The Company wishes to ratify the issue of the Placement Shares the subject of Resolution 3 pursuant to Listing Rule 7.4, in order to restore the Company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1A.

### **3.2 Technical information required by ASX Listing Rules**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 64,495,436 Placement Shares were issued;
- (b) the issue price was \$0.00775 per Placement Share, raising a total of approximately \$500,000 (before costs);
- (c) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;

- (d) the Placement Shares were issued to sophisticated and professional investor clients of GTT Ventures and supporting brokers. None of these subscribers are related parties of the Company; and
- (e) the funds raised from the Placement are principally for exploration at the Company's Madagascar Graphite Project and for general working capital.

### 3.3 Directors' Recommendation

If Resolution 3 is passed, the 10% limit imposed by Listing Rule 7.1A will be renewed to the extent of the ratification.

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

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## 4. RESOLUTION 4 – ISSUE OF SHARES TO MMH CAPITAL

### 4.1 General

The Company and MMH Capital Ltd entered into a Letter of Intent on or about 2 August 2016 (**LOI**) under which the Company is 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 has 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.

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 100,000,000 Shares (**LOI Placement Shares**) pursuant to the LOI (**LOI Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

For the purposes of ASX Listing Rule 7.1, the LOI Placement Shares represent approximately 10.52% of the issued capital of the Company on an undiluted basis assuming that Resolutions 6 and 7 are approved by Shareholders.

The effect of Resolution 4 is to allow the Company to issue the Shares pursuant to the LOI Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 4.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the LOI Placement:

- (a) the maximum number of LOI Placement Shares to be issued is 100,000,000;
- (b) the LOI Placement Shares will be issued for nil cash consideration in satisfaction of the acquisition of the Tenement Applications; the LOI Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the LOI Placement Shares will be issued to MMH Capital Ltd or its nominee(s), which is not a related party of the Company;

- (d) the LOI Placement Shares will rank equally with existing fully paid ordinary shares on issue and will be quoted on the ASX; and
- (e) no funds will result from the LOI Placement rather the LOI Placement Shares are being issued as consideration for the acquisition of an 85% interest in the Tenement Applications.

#### 4.3 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

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### 5. RESOLUTION 5 – ISSUE OF OPTIONS TO GTT VENTURES

#### 5.1 General

The Company and GTT Ventures entered into a placement mandate agreement on or about 29 March 2017 (**Mandate**) under which GTT Ventures was appointed to provide placement services to the Company in relation to the Placement. Under the Mandate, the Company has agreed to pay a 4% capital raising fee on the total amount raised from the Placement and a 2% management fee for the total amount raised from the Placement. In addition, the Company agreed to issue, on completion of the Placement, subject to available capacity or Shareholder approval, a total of 30 million unlisted Options as follows:

- 20,000,000 unlisted Options exercisable at 1.5 cents on or before 31 March 2018 (**Class A Placement Options**); and
- 10,000,000 Unlisted Options exercisable at 1.7 cents on or before 31 March 2019 (**Class B Placement Options**),

(together, the **Placement Options**).

Resolution 5 seeks Shareholder approval for the issue of 20,000,000 Class A Unlisted Options and the issue of 10,000,000 Class B Unlisted Options pursuant to the Mandate (**Options Placement**).

For the purposes of ASX Listing Rule 7.1, if the Placement Options are exercised the Shares issued upon exercise will represent approximately 3.06% of the issued capital of the Company on a fully diluted basis assuming that Resolutions 3, 5 and 6 are approved by Shareholders.

The effect of Resolution 5 is to allow the Company to issue the Placement Options pursuant to the Options Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 5.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Options Placement:

- (a) the maximum number of Placement Options to be issued is 30,000,000, comprising of:
  - (i) 20,000,000 Class A Unlisted Options and
  - (ii) 10,000,000 Class B Unlisted Options;

- (b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (c) the issue price of the Placement Options is nil;
- (d) the Options will be issued to GTT Ventures (or its nominee(s)), which is not a related party of the Company;
- (e) the Class A Unlisted Options will be issued on the terms and conditions set out in Schedule 1 and the Class B Unlisted Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will result from the issue of the Placement Options.

### 5.3 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

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## 6. RESOLUTIONS 6 AND 7 – ISSUE OF SHARES TO DIRECTOR AND FORMER DIRECTOR

### 6.1 General

Over the past two years, in order to assist the Company in preserving its cash resources, Messrs Michael Fry and David Symons (together, the **Related Parties**) have foregone payment of their director fees and professional services fees. As at the date of this Notice:

- (a) Michael Fry was owed \$180,000; and
- (b) David Symons was owed \$31,667.

The Company, through resolutions 6 and 7, seeks shareholder approval for the ability to issue Shares to settle these debts on the following terms:

- (a) up to 25,714,286 Shares to Michael Fry in full final satisfaction of the outstanding director and service fees owing to Mr Fry; and
- (c) up to 4,523,857 Shares to David Symons in full final satisfaction of the outstanding director and service fees owing to Mr Symons,

(together, the **Director Fee Shares**).

Resolutions 6 and 7 seek Shareholder approval to be able to grant the Director Fee Shares to the Related Parties (or their nominees).

### 6.2 ASX Listing Rules and the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Directors Fee Shares constitutes giving a financial benefit and:

- (a) Mr Symons is a related party of the Company by virtue of being a director; and
- (b) Mr Fry is a related party of the Company by virtue of being a director within the past 6 months.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Director Fee Shares to the Related Parties.

The relevant interest of Mr Fry in securities of the Company is currently 1,462,000 Shares and the relevant interest of Mr Symons in securities of the Company is currently 54,065 Shares.

As detailed above, the Company seeks approval for the ability to issue:

- (a) up to 25,714,286 Shares to Michael Fry, which represents 1.85% of the Company's issued Share capital; and
- (c) up to 4,523,857 Shares to David Symons, which represent 0.33% of the Company's issued Share capital,

on an undiluted basis assuming that all Resolutions and associated issues of securities contained in this Notice are approved by Shareholders.

Accordingly, if Resolutions 6 and 7 are passed, and if the Director Fee Shares are issued by the Company, the relevant interest of Michael Fry in the securities of the Company will increase to 27,176,286 Shares and the relevant interest of David Symons in securities of the Company will increase to 4,577,922 Shares.

### **6.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 and 7:

- (a) the related parties are Messrs Fry and Symons and they are related parties of being a former director and current director respectively;
- (b) the deemed issue price per Director Fee Share is calculated at the higher of \$0.007 and the 30-day volume weighed average Company Share price as traded on the ASX prior to the date of issue;
- (c) the maximum number of Director Fee Shares able to be issued is up to 30,238,143, Shares (assuming a deemed issue price of \$0.007 per Share, the minimum deemed price at which the Shares will be issued), comprised of:

- (i) 25,714,286 Shares to Michael Fry; and
  - (ii) 4,523,857 Shares to David Symons,
- (d) the Director Fee Shares are able to be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Fee Shares will be issued on one date;
- (e) if the Director Fee Shares are issued, the Director Fee Shares will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) based on the deemed issue price of the Director Fee Shares, as set out in paragraph (b) above, the value of the Director Fee Shares to be issued to the Related Parties is as set out below:
- (i) \$180,000 to Michael Fry; and
  - (ii) \$31,667 to David Symons;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below:

| <b>Related Party</b> | <b>Shares</b> | <b>Options</b> |
|----------------------|---------------|----------------|
| Michael Fry          | 1,462,000     | Nil            |
| David Symons         | 54,065        | Nil            |

- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

| <b>Related Party</b> | <b>Current Financial Year</b> | <b>Previous Financial Year</b> |
|----------------------|-------------------------------|--------------------------------|
| Michael Fry          | \$110,000                     | \$110,000                      |
| David Symons         | \$20,000                      | \$16,667                       |

- (i) if the Director Fee Shares granted to the Related Parties are issued, a maximum of 30,238,143 Shares would be issued. This will increase the number of Shares on issue from 829,554,238 to 859,792,381 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.52%, comprising 2.99% by Michael Fry and 0.53% by David Symons.
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

|         | <b>Price</b> | <b>Date</b> |
|---------|--------------|-------------|
| Highest | 1.3 cents    | 28/09/2016  |
| Lowest  | 0.1 cents    | 28/06/2016  |
| Last    | 0.7 cents    | 09/06/2017  |

- (k) David Symons declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Fee Shares should Resolution 7 be passed. However, in respect of Resolution 6, Mr Symons recommends that Shareholders vote in favour of the Resolution for the following reasons:
- (i) the grant of the Director Fee Shares is a reasonable and appropriate method to provide a cost effective method for reimbursement of remuneration owing as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Fee Shares;
- (l) with the exception of Mr Symons, no other Director has a personal interest in the outcome of Resolutions 6 or 7;
- (m) Randal Swick recommends that Shareholders vote in favour of Resolutions 6 and 7 for the reasons set out in paragraph (k)(ii) above;
- (n) Brian Thomas recommends that Shareholders vote in favour of Resolutions 6 and 7 for the reasons set out in paragraph (k)(ii) above;
- (o) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Director Shares to be granted; and
- (p) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 and 7.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Director Fee Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Director Fee Shares to the Related Parties (or their nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. ENQUIRIES**

Shareholders may contact Mr Brett Tucker (Company Secretary) on (+ 61 8) 9482 0580 if they have any queries in respect of the matters set out in this document.

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## GLOSSARY

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**\$** means Australian dollars.

**AGM** means Annual General Meeting.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of directors of the Company as constituted from time to time.

**Closely Related Party** of a member of the key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Act 2001* (Cth).

**Company** means Cougar Metals NL (ABN 27 100 684 053).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company from time to time.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** or **Meeting** means the meeting convened by the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice of Meeting** means this notice of General Meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

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(a) **Entitlement**

Each Placement Option entitles the holder to subscribe for one Share upon exercise of the Placement Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Placement Option will be:

(i) \$0.015 with respect to a Class A Placement Option; and

(ii) \$0.017 with respect to a Class B Placement Option,

(together, the **Exercise Price**).

(c) **Expiry Date**

Each Placement Option will expire at 5:00 pm (WST) on:

(i) 31 May 2018 with respect to a Class A Placement Option; and

(ii) 31 March 2019 with respect to a Class B Placement Option,

(together, the **Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Placement Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Placement Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the 12 Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options. If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Placement Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Placement Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

The holders of an Placement Option may only participate in new issues of securities to holders of ordinary shares in the Company if the Placement Option has been exercised and Shares issued in respect of the Placement Option before the record date for determining entitlements to the issue.

(k) **Change in exercise price**

There will be no change to the exercise price of the Placement Option or the number of Shares over which an Placement Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).

(l) **Bonus Issues**

If there is a bonus issue (Bonus Issue) to the holders of ordinary Shares in the Company, the number of Shares over which an Placement Option is exercisable will be increased by the number of Shares which the holder would have received if the Placement Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the

Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue as the date of issue of the Bonus Shares.

(m) **Transferability**

The Placement Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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COUGAR METALS NL

ACN: 100 684 053

REGISTERED OFFICE:  
SUITE 1  
LEVEL 1  
35 HAVELOCK STREET  
WEST PERTH WA 6005  
SHARE REGISTRY:  
Security Transfer Australia Pty Ltd  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

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«EFT\_REFERENCE\_NUMBER»

«Holder\_name»

«Address\_line\_1»

«Address\_line\_2»

«Address\_line\_3»

«Address\_line\_4»

«Address\_line\_5»

«Company\_code» «Sequence\_number»

Code:

CGM

Holder Number:

«HOLDER\_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am WST on Monday 31 July 2017 at 88 Thomas Street, West Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

| RESOLUTION   | For                      | Against                  | Abstain*                 |
|--|--------------------------|--------------------------|--------------------------|
| 1. Election of Director - Mr Brian Thomas                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Ratification of Placement of Shares under Listing Rule 7.1  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ratification of Placement of Shares under Listing Rule 7.1a | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Future issue of shares to MMH Capital                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Issue of options to GTT Ventures                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Issue of shares to Michael Fry                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Issue of shares to David Symons                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Cougar Metals NL no later than 11:00am WST on Saturday 29 July 2017.



My/Our contact details in case of enquiries are:

Name:

Number:

(   )

#### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

#### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

#### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

#### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Cougar Metals NL no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

#### Cougar Metals NL

|                       |   |
|-----------------------|---|
| <b>Postal Address</b> | PO Box 902<br>West Perth WA 6872                    |
| <b>Street Address</b> | Ground Floor<br>16 Ord Street<br>West Perth WA 6006 |
| <b>Facsimile</b>      | +61 8 9482 0505                                     |

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

