

Response to ASX Price Query

Cougar Metals NL (“Cougar” or “Company”) (ASX: CGM) provides this response in relation to the ASX’s letter dated 25 August 2017 regarding the change in the price of the Company’s securities from a close of \$0.012 to a high of \$0.017 and the increase in the volume of trading in securities.

In response to the questions detailed in the ASX’s letter the Company advises as follows:

1. As previously announced to the ASX on 21 August 2017, the Company was awaiting assay results from 32 drill holes at the Toamasina Saprolitic Graphite Project. These results were received overnight on 24 August 2017 and were still subject to review and assessment by the Company’s technical staff, and not in a form suitable to be released to the market. Confidentiality of these assay results was strictly maintained and the Company believes that the recent price and volume increase was due to speculation on these pending results.
2. (a) CGM was relying on Listing Rule 3.1A not to announce these assay results for the reasons stated above. However upon receipt of the ASX price query letter on 25 August 2017, the Board decided it was prudent to enter into a trading halt while the results are assessed and compiled.

(b) The Company entered into a trading halt on 25 August 2017, and subsequently a voluntary suspension on 29 August 2017, while it reviewed and compiled assay results into a form suitable for release to the ASX.

(c) The Company has provided these assay results in an announcement on 31 August 2017.
3. Not applicable.
4. The Company confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
5. These responses have been authorised and approved by the Board of Cougar.

Yours sincerely

Brett Tucker
Company Secretary



25 August 2017

Brett Tucker
Cougar Metals NL
16 Ord Street
WEST PERTH WA 6005

By email: btucker@ventnorcapital.com

Dear Mr Tucker

Cougar Metals NL (“CGM”): price query

We note the change in the price of CGM’s securities from a close of \$0.012 to a high of \$0.017 today.

We also note the significant increase in the volume of CGM’s securities traded in the past few days.

In light of this, ASX asks CGM to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Is CGM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is CGM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in CGM’s securities would suggest to ASX that such information may have ceased to be confidential and therefore CGM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that CGM may have for the recent trading in its securities?
4. Please confirm that CGM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that CGM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CGM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 11.00 am (WST) today, 25 August 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CGM's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CGM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to CGM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CGM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CGM's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.



If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)