



ASX/Media Release

2 October 2017

High Grade Lithium Samples from Solonopole

- **Results returned from first pass mapping, rock chip, soil and grab sampling of the Solonopole Lithium Project, Brazil**
- **10 small scale historical lithium mines identified to date**
- **Two target zones each approximately 10km in strike have been identified with clusters of outcropping pegmatites**
- **Grab sampling has returned high grade lithium results within Amblygonite pegmatites with the top 10 samples returning grades between 1.5% Li₂O and 9.29% Li₂O**

Cougar Metals NL (“Cougar” or “Company”) (ASX: CGM) is pleased to provide an update on the first pass mapping, soil and rock chip sampling of the Solonopole Lithium Project, Brazil.

Cougar’s board and management are very excited by the initial staged exploration results which has confirmed the high-grade lithium from grab samples in 6 of the 10 identified outcropping prospects. Additional exploration over the next 3 months will be focussed on defining the trend of the pegmatites to assist in drill targeting

Field Mapping has so far identified a total of 10 small scale historical lithium mines as shown in Figure 1 below. Two target zones (North and South) each approximately 10km in strike have been identified with clusters of outcropping pegmatites. The pegmatites are located in close proximity to larger surrounding granitic units.

Grab sampling has returned high grade lithium results within Amblygonite (a high-grade lithium mineral) pegmatites. A total of 62 grab samples were taken with the top 10 samples returning grades between 1.5% Li₂O and 9.29% Li₂O. Lower grade Lithium zones have returned high grade Tantalum with one sample returning 3534ppm Ta. 242 soil samples were completed over a 250m area (50m by 50m sample spacing) on each of the 10 prospects to define the regional trend of the soil covered pegmatites. These soil grid have returned anomalies that suggest the prospects potentially join up below surface around the fringe of the larger granite bodies to the east.

Exploration Plans:

Follow-up exploration work over the next 3 months will be focussed on extending the soil grids between the identified high-grade outcropping pegmatites to identify the regional trend of the hidden pegmatites below the soil cover. Once the trend is defined, Cougar will undertake trenching along the strike extent to enable follow-up drilling to be planned.

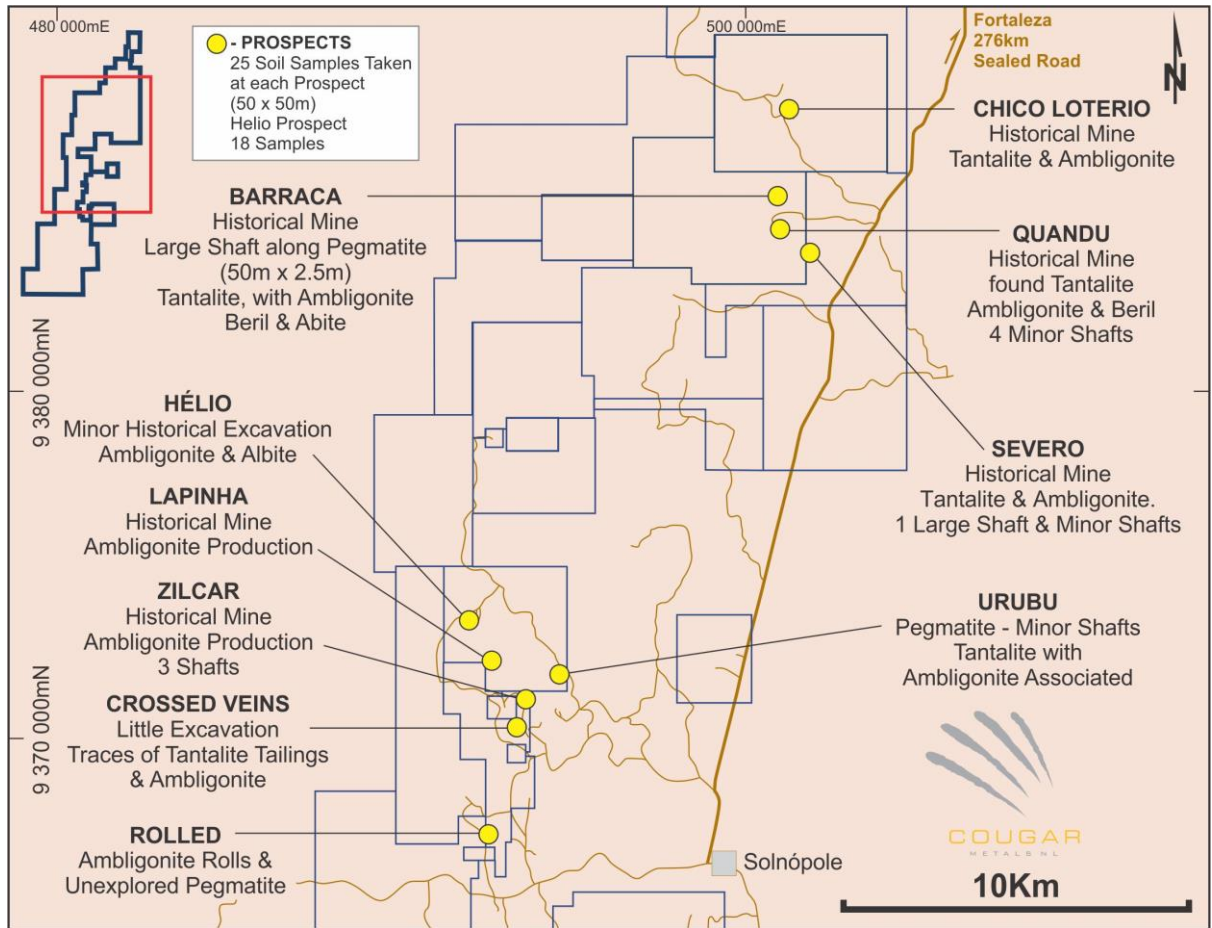


Figure 1: Historical small scale lithium mines identified - Solonópole Project area.

Sample Results

62 rock chip and grab samples were collected from across the Solonopole Project. Grab samples were taken along with field mapping by Cougar Geologists. The results of all samples greater than 0.1% Li₂O are shown in Table 1 below.

Table 1			
Grab Sample Results – Solonopole Project			
Sample	Description	Li₂O (%)	Ta (ppm)
AM0011	Fragments Rocks	0.14	<10
AM0041	Tailing	0.15	19
AM0045	Pegmatite Rock	0.15	<10
AM0015	Tailing	0.15	66
AM0014	Fragments Rocks	0.19	<10
AM0023	Tailing	0.22	43
AM0047	Pegmatite Rock	0.22	46
AM0021	Pegmatite Rock	0.23	222
AM0022	Pegmatite Rock	0.27	<10
AM0064	Pegmatite Rock	0.38	3534
AM0018	Fragments Rocks	0.41	<10
AM0050	Pegmatite Rock	0.50	64
AM0019	Fragments Rocks	0.80	<10
AM0008	Pegmatite Vein	1.50	<10
AM0010	Pegmatite/ Amblygonite	2.33	22
AM0007	Pegmatite Rock / Amblygonite	3.83	62
AM0009	Pegmatite / Amblygonite	4.84	87
AM0056	Pegmatite Rock/ Amblygonite	8.54	44
AM0051	Tailings	8.55	13
AM0053	Pegmatite Rock/ Amblygonite	8.62	56
AM0055	Pegmatite Rock/ Amblygonite	9.18	45
AM0057	Pegmatite Rock/ Amblygonite	9.29	39
Samples > 0.1% Li ₂ O reported in the table above			

Figures 2 and 3 below show the grab sample locations overlaid on the soil grids undertaken. The 4 prospects Urubu, Zilcar, Crossed Vein and Rolled Prospects are located from a mapped granite intrusion interpreted from wide spaced airborne magnetics approximately 300m to the east. They appear to be part of the same pegmatite system which is wrapped around the granite body.

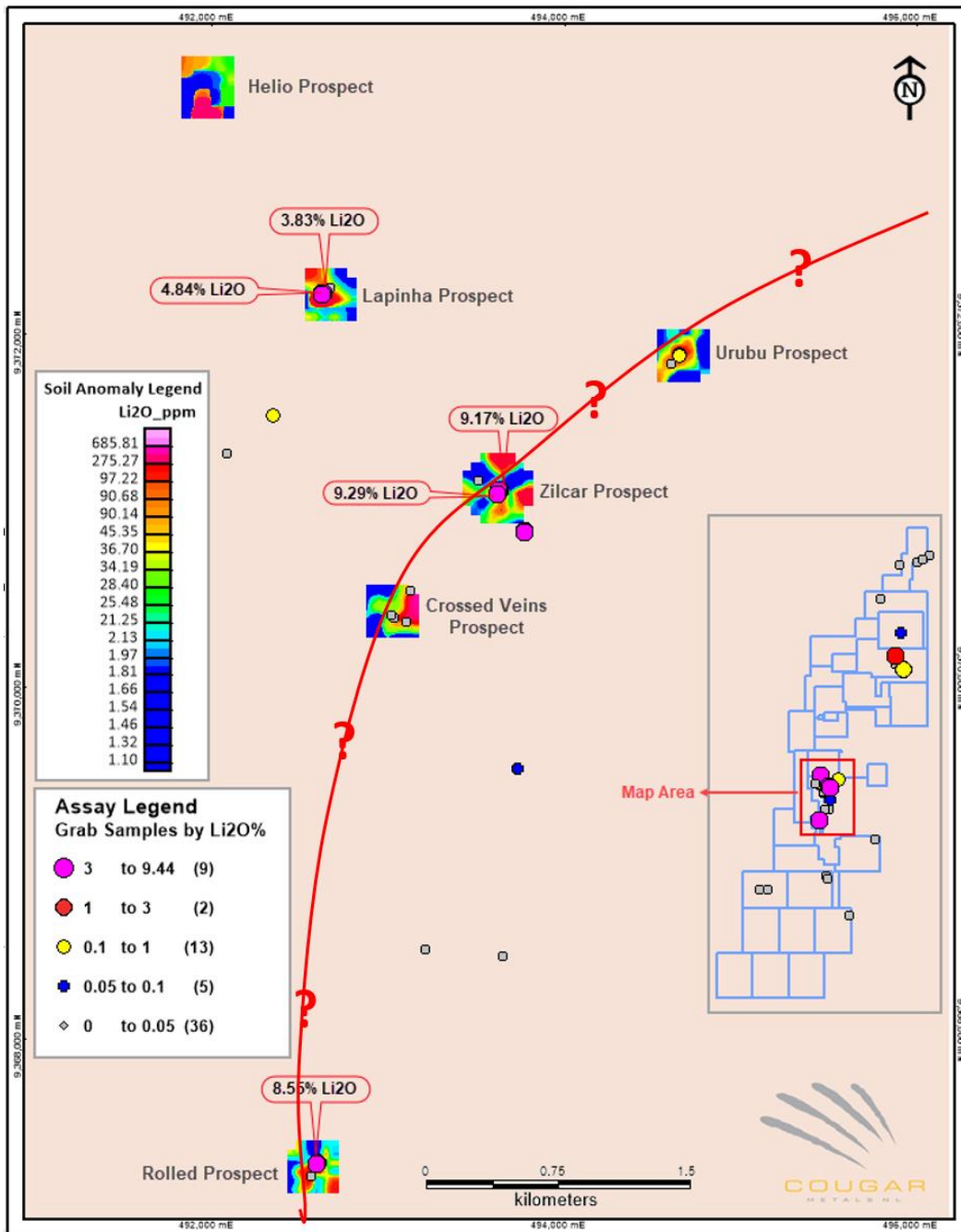


Figure 2: Grab samples and soil anomalies map over “South” Solonopole

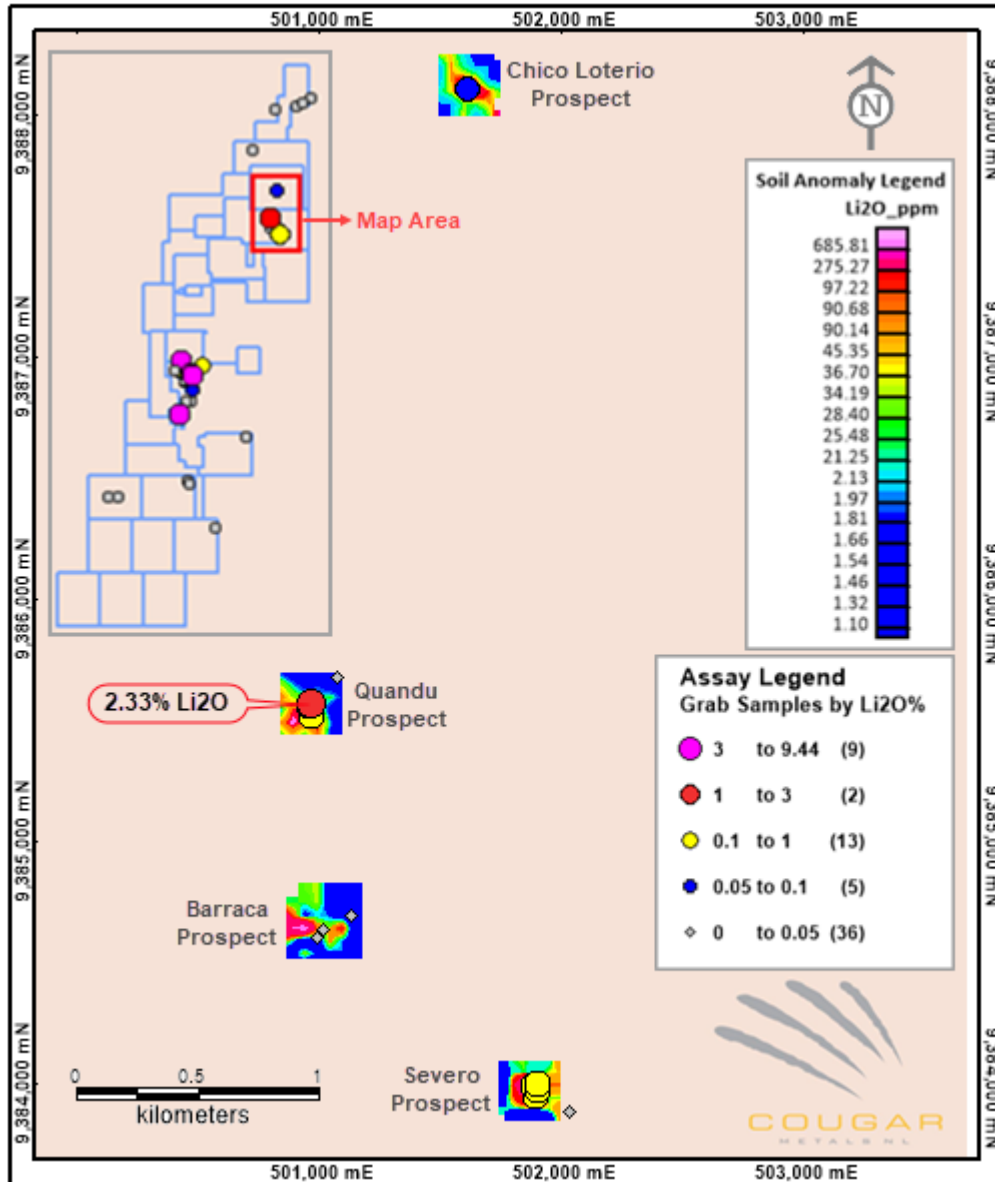


Figure 3: Grab samples and soil anomalies map over “North” Solonopole



Executive Chairman Randal Swick noted; "We are thrilled with the number of prospects identified to date and the return of high grade lithium results from 6 of these 10 prospects. This first pass program confirms that we are in a lithium bearing pegmatite system, capable of yielding high grade material – an excellent result. Being the first pass we are in the very early stages of exploration, but to have such great numbers returned at this stage is highly encouraging, and justifies an escalation in our exploration efforts."

For further information please contact the undersigned via email at r.swick@cgm.com.au

COUGAR METALS NL

A handwritten signature in black ink that reads "Randal Swick". The signature is written in a cursive, flowing style.

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.

Competent Persons Statement

Information in this report relates to exploration results that are based on information compiled by Mr Beau Nicholls (Member of the Australasian Institute of Geoscientists). Mr Nicholls is a fulltime employee of Sahara Mining Services and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nicholls consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.

JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Grab Samples were taken from outcrop by geological hammer with 2 to 3kg collected from each sample position. Geology and hand-held GPS points are recorded along with site photos • Soil samples were taken by removing transported soils and vegetation and taking between 2 to 3 kg of samples . Placed in a plastic bag for dispatch to SGS laboratories in Belo Horizonte. Hand held GPS coordinates were recorded as per Grab Sample procedure • SGS sample preparation required samples crushed to 3mm and then 1kg pulverized to 95% passing 150 mesh
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> • No drilling has been conducted at this stage
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<ul style="list-style-type: none"> • No drill samples taken at this stage

	<ul style="list-style-type: none"> Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Grab samples and Soils were logged with simple lithological and regolith and landform descriptions, and recorded positions using hand held GPS units
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No QAQC samples have been included as sampling is initially quantitative to identify prospective areas. SGS Belo Horizonte added internal standards to check on accuracy. Samples taken are between 2-3 kg and were sealed and labelled in plastic bags and dispatched to SGS laboratory in Belo Horizonte
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations 	<ul style="list-style-type: none"> Samples were analysed by SGS Belo Horizonte. Method used is ICP90A which is a sodium peroxide fusion with a ICP-OES finish. SGS internal QAQC included results for certified standards and blanks at approximately 5% of total samples analysed.

	<p><i>factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • All sampling supervised by a qualified geologist
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Use of hand-held Garmin GPS units. Accuracy of +/-8m on average.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Soil grids taken on 50m x 50m grid • Grab samples taken when interesting mineralised targets identified
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Regular soil grid undertaken as geological controls not well understood at this stage of exploration.

Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were kept in sealed bags and sent to SGS laboratory by commercial courier.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews undertaken at this stage

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> All permits have been 100% granted less than 1 year ago. All licensing and permitting is current to allow development of the project.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> DNPM reconnaissance has been undertaken and reported in prior press release
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Pegmatite hosted lithium mineralisation typical setting
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the 	<ul style="list-style-type: none"> No drilling undertaken at this stage

	<p><i>Competent Person should clearly explain why this is the case.</i></p>	
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No data aggregation at this stage
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Not determinable from this sampling program
<p>Diagrams</p>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Plan views only provided at current stage of exploration
<p>Balanced reporting</p>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The information contained within the announcement contains the relevant sampling and analytical data over the project.
<p>Other substantive</p>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be</i> 	<ul style="list-style-type: none"> None to report.

<p>exploration data</p>	<p><i>reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
<p>Further work</p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The results have identified clear follow up targets to pursue with qualitative and systematic soil sampling programs to define mineralized trends.