
COUGAR METALS NL

ABN 27 100 684 053

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.30am (WST)

DATE: Monday, 27 November 2017

PLACE: Ground Floor, 16 Ord St, West Perth WA 6005

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

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30am (WST) on Monday 27 November 2017, at Ground Floor, 16 Ord St, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 9.30am (WST) on 25 November 2017.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

BUSINESS OF THE MEETING

Notice is hereby given that an Annual General Meeting of Shareholders will be held at 9.30am (WST) on Monday, 27 November 2017 at:

Ground Floor, 16 Ord 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

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Director's report in the annual financial report for the financial year ended 30 June 2017”.

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Short Explanation: The Annual General meeting of a listed company must propose that the Remuneration Report be adopted by Shareholders.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – APPROVAL FOR ADDITIONAL 10% CAPACITY

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: Pursuant to ASX Listing Rule 7.1A, an eligible company may seek approval from its shareholders to increase its placement capacity by 10%, from 15% to 25%. Cougar Metals NL is an eligible company as at the date of this Notice of Meeting, and expects to remain so up until the date of the AGM.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will 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.

4. RESOLUTION 3 - RE-ELECTION OF MR DAVID SYMONS AS DIRECTOR

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

“That, for the purposes of Rule 7.3(a) of the Constitution and for all other purposes, Mr David Symons, a Director of the Company, retires by rotation and, being eligible for re-election, is re-elected as a Director of the Company.”

Short Explanation: Pursuant to Rule 7.3(a) of the Constitution, if the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each Annual General Meeting. A Director who retires in accordance with Rule 7.3(a) of the Constitution is eligible for re-election at the Annual General Meeting.

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME

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 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Employee Option Plan” and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

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 61,538,462 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. 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.

7. RESOLUTION 6 – PLACEMENT - SHARES

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)) on the terms and conditions set out in the Explanatory Statement.”

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 agreed to acquire an 85% interest in approximately 35 tenement applications in Brazil, covering an area of approximately 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 might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. 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.

OTHER BUSINESS

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

DATED: 26 OCTOBER 2017

BY ORDER OF THE BOARD

Randal Swick

**RANDAL SWICK
EXECUTIVE CHAIRMAN**

EXPLANATORY STATEMENT

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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cgm.com.au.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT (NON-BINDING)

2.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution to Shareholders that the Remuneration Report be adopted at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

In accordance with the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second annual general meeting, if at the first of those annual general meetings a Spill Resolution was not put to a vote.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

2.2 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – APPROVAL FOR ADDITIONAL 10% CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

As at the date of this Notice, the Company is an Eligible Entity.

If Shareholders approve Resolution 2, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 2 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 2 is a special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting must be in favour of Resolution 2 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at an annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$13,743,482 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: CGM).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and
- (iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class,

calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid)

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the economic and dilution effect that an issue of the 10% Placement Capacity will have on existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 16 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on issue	Dilution			
	Issue Price (per Share)	\$0.007 50% decrease in Issue Price	\$0.014 Issue Price	\$0.028 100% increase in Issue Price
916,232,139 (Current Variable A)	Shares issued - 10% voting dilution	91,623,214	91,623,214	91,623,214
	Funds raised	\$641,362	\$1,282,725	\$2,565,450
1,374,348,209 (50% increase in Variable A)	Shares issued - 10% voting dilution	137,434,821	137,434,821	137,434,821
	Funds raised	\$962,044	\$1,924,087	\$3,848,175
1,832,464,278 (100% increase in Variable A)	Shares issued - 10% voting dilution	183,246,428	183,246,428	183,246,428
	Funds raised	\$1,282,725	\$2,565,450	\$5,130,900

* The number of Shares on issue (Variable A in the formula) could increase if the Directors issue Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 916,232,139 Shares on issue at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 16 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use any funds raised towards the continued development of the Company's current resources projects, as well as for the acquisition of new assets and investments; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of any proposed issue. The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;

- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be the vendors of the new resources assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2016 (**Previous Approval**).

The Company has issued 64,495,436 Shares pursuant to the Previous Approval.

During the 12 months preceding the date of this Meeting, being on and from 27 November 2016, the Company has also issued a further 86,677,901 Shares and 30,000,000 Options which represents approximately 17.44% of the total diluted number of Equity Securities on issue in the Company on 27 November 2016, which was 668,694,249.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Section 3.5.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

3.5 Issues of Equity Securities since 27 November 2016

Date	Number of Equity Securities	Class	Recipients	Issue price	Discount to Market Price (if applicable) ¹	Total cash consideration	Amount of cash consideration spent, what it was spent on and proposed application of balance of funds	Non- cash consideration
Issue - 4 April 2017 Appendix 3B - 4 April 2017	164,285,714	Shares ²	Placement sophisticated Investors	\$0.0078 per Share	Discount of 25%	\$1,150,000	Amount raised: \$1,150,000 Amount spent: \$1,150,000 Use of funds: To advance exploration on the Company's graphite and lithium projects and company administration costs. Amount remaining: Nil	N/A
Issue - 9 August 2017 Appendix 3B - 10 August 2017	a) 21,806,701 b) 20,000,000 c) 10,000,000	a) Shares ² b) Unlisted Options ³ c) Unlisted Options ⁴	a) Mr Michael Fry (a former Director) as approved at the Shareholder meeting held on 31 July 2017 b) - c) issued to nominees of GTT Ventures as part consideration for capital raising services	a) No issue price (non-cash consideration for services provided as a Director) b) - c) No issue price (non-cash consideration)	a) N/A b) - c) N/A	Nil	a) N/A b) - c) N/A	a) Consideration: services provided as a Director Current value: \$305,294 b) - c) Consideration: services provided as an advisor to the Company Current value: \$213,975
Issue - 31 August 2017 Appendix 3B - 1 September 2017	3,333,368	Shares ²	Mr David Symons (a Director) as approved at the Shareholder meeting held on 31 July 2017	No issue price (non-cash consideration for services provided as a Director)	N/A%	Nil	N/A	Consideration: Services provided as a Director Current value: \$46,667

Issue - 20 September 2017 Appendix 3B - 1 September 2017	61,538,462	Shares ²	Placement sophisticated Investors	to	\$0.013 per Share	Discount of 35%	\$800,000	Amount raised: \$800,000 Amount spent: \$300,000 Use of funds: To fund exploration Company's Ceará Lithium Project in Brazil and the Toamasina Saprolitic Graphite Project in Madagascar and company administration costs Amount remaining: \$500,000 Proposed use of funds: ⁵ remaining fund exploration Company's Ceará Lithium Project in Brazil and the Toamasina Saprolitic Graphite Project in Madagascar and company administration costs	N/A
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Notes

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which as sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: CGM (terms are set out in the Constitution).
3. Unlisted options exercisable at \$0.015 expiring 31/07/2018. The full terms and conditions were disclosed in the notice of meeting for the Shareholder meeting held on 31 July 2017.
4. Unlisted options exercisable at \$0.017 expiring 30/06/2019. The full terms and conditions were disclosed in the notice of meeting for the Shareholder meeting held on 31 July 2017.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares \$0.014 the ASX on 16 October 2017.
7. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the

expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

4. RESOLUTION 3 – RE-ELECTION OF MR DAVID SYMONS AS DIRECTOR

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr David Symons who has served as a Director since 31 August 2015 and was last re-elected on 30 November 2015, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

David Symons (BSc (Extractive Metallurgy)) was appointed as Non-Executive Director of the Company on 31 August 2015.

Mr Symons has worked in the mining industry, both in Australia and overseas, for approximately 30 years. Since 1998, Mr Symons has been the managing director of Independent Metallurgical Operations Pty Ltd, a leading metallurgical services company in Australia. In this capacity, Mr Symons has undertaken operations management, project work and consulting to clients across a range of commodities.

Mr Symons does not currently, and has not held any directorships in other listed entities within the previous three years.

4.3 Independence

Mr David Symons 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 Company and its security holders generally.

If elected the Board considers that Mr David Symons will be an independent Director.

4.4 Board recommendation

The Board supports the re-election of Mr David Symons and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE INCENTIVE SCHEME

5.1 General

Resolution 4 seeks Shareholder approval for the adoption of the Company's employee incentive scheme titled 'Employee Option Plan' (**Plan**) and for the issue of Options under that Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for

a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Options under the Plan to eligible employees over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. The Directors consider it desirable to maintain the Plan to incentivise, reward and strengthen links between the Company and its key employees.

Shareholders last approved the Plan on 28 November 2014. Accordingly, Shareholder approval for the adoption of the Plan and the issue of Options pursuant to the Plan must be "refreshed" to enable the Company to issue Options under the Plan within the requirements of ASX Listing Rule 7.2 (Exception 9).

Any issue of Options under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

5.2 Previous issues

Shareholders should note that no Options have previously been issued under the Plan.

5.3 Other employee incentive schemes

Other than the Plan, the Company does not operate any other employee incentive schemes.

5.4 Key terms and conditions of the Plan

A summary of the key terms and conditions of the Plan are set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary on (08) 9482 0580. Shareholders are invited to contact the Company if they have any queries or concerns.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 General

On 20 September 2017, the Company issued 61,538,462 Shares at an issue price of \$0.013 per Share to raise \$800,000.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1.

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 these previous issues, 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.

6.2 Ratification of prior issue

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 61,538,462 Shares were issued on 20 September 2017;
- (b) the issue price was \$0.013 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors, of which none are related parties of the Company; and
- (e) the funds raised from this issue were used for ongoing work programmes at the Company's Ceara Lithium Project in Ceara State, Brazil and drilling at the Toamasina Saprolitic Graphite Project in Madagascar.

7. RESOLUTION 6 – ISSUE OF SHARES TO MMH CAPITAL

7.1 General

On or about 2 August 2016, the Company and MMH Capital Ltd entered into a letter of intent (**LOI**), pursuant to which the Company has agreed 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 and 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.

On 31 July 2017, the Company obtained Shareholder approval for the issue of Shares to MMH Capital Ltd in accordance with ASX Listing Rule 7.1. However, as the Shares will not be issued within 3 months of the date of that approval, the Company is re-seeking Shareholder approval for the issue of Shares to MMH Capital Ltd (on identical terms) in accordance with ASX Listing Rule 7.1 at the Annual General Meeting.

Resolution 6 seeks Shareholder approval for the issue of 100,000,000 Shares in consideration for the acquisition of the Tenement Applications (**LOI Placement Shares**) pursuant to the LOI (**LOI Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 6 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.

7.2 Technical information required by ASX Listing Rule 7.1

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 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 for nil cash consideration in satisfaction of the acquisition of the Tenement Applications;
- (d) the LOI Placement Shares will be issued to MMH Capital Ltd (or its nominee(s)), which is not a related party of the Company;
- (e) the LOI Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) 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.

GLOSSARY

\$ means Australian dollars.

AGM means Annual General Meeting.

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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 current directors of the Company.

Explanatory Statement means the explanatory statement accompanying 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.

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

Notice of Meeting means this notice of Annual 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.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of this Notice.

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.

SCHEDULE 1 – SUMMARY OF EMPLOYEE INCENTIVE SCHEME

The key terms of the Employee Option Plan are as follows.

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (Eligible Participant). The Board may also offer Options (Offer) to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option granted under the Plan will be granted for no more than nominal cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Plan will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (Exercise Conditions). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
 - (i) on its Expiry Date;
 - (ii) if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or
 - (iii) subject to certain good leaver exceptions or a determination by the Board, where the Eligible Participant ceases to be an Eligible Participant.
- (g) **Disposal of Options:** Options will not be transferable except to the extent the Plan or any offer provides otherwise.
- (h) **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an offer provides otherwise.
- (i) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Participation generally:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Rights Issues and Bonus Issues:** If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the option exercise price shall be reduced according to the formula specified in ASX Listing Rule 6.22.2. In the event of a bonus issue of Shares being made pro rata to

Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

- (l) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (m) **Limitations on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

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PROXY FORM – ANNUAL GENERAL MEETING

GOUGAR METALS NL
ACN 100 684 053

All correspondence to:
Cougar Metals NL
PO Box 902
West Perth WA 6872
Phone: 08 9482 0580
Facsimile: 08 9482 0505

I/We _____
(insert name of holder – please print)

Of _____
(insert address of holder – please print)

Appointment of Proxy

I/We being member/s of Cougar Metals NL and entitled to attend and vote hereby appoint

	The Chair of the Meeting (mark with an 'X')	OR		Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting
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or failing the person named, or if no person is named, the Chair of the Meeting or a nominee of the Chair, 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cougar Metals NL to be held at 16 Ord Street, West Perth, Western Australia on Monday, 27 November 2017 at 9:30 am (WST) and at any adjournment of that meeting.

Important: The Chair of the Meeting intends to vote all undirected proxies in favour of all Resolutions. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions even if those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting directions to your proxy - please mark
Ordinary business

X to indicate your directions

- Resolution 1** ADOPTION OF THE REMUNERATION REPORT
- Resolution 2** APPROVAL FOR ADDITIONAL 10 % PLACEMENT FACILITY
- Resolution 3** RE-ELECTION OF DIRECTOR – MR DAVID SYMONS
- Resolution 4** ADDOPTION OF EMPLOYEE INCENTIVE SCHEME
- Resolution 5** RATIFICATION OF PRIOR ISSUE OF SHARES
- Resolution 6** PLACEMENT - SHARES

	For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Individual where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Postal deliveries: Cougar Metals NL
PO Box 902
West Perth WA 6872

Facsimile: (08) 9482 0505 if faxed from within Australia or +61 8 9482 0505 if faxed from outside Australia.