



ASX Announcement  
31 October 2017

**Cougar Metals NL** is a Perth based exploration company listed on the Australian Securities Exchange (ASX: CGM).

The Company is earning a 50% interest in the Toamasina Saprolitic Graphite Project located 50km south of the port city of Taomasina, in Madagascar. The project covers approximately 4400 Ha and provides a near term opportunity to develop a low capex, low opex, high quality graphite operation. The project will be drilled to complete a NI43-101 Preliminary Economic Study.

Cougar is also acquiring an 85% interest in the Ceara Lithium Project, located in north-eastern Brazil. The Project comprises 35 tenements with an area of ~60,000Ha covering the historical lithium mining centre at Solonopole the Cristal pegmatite swarm.

#### **Directors & Officers**

Randal Swick – Executive Chairman  
David Symons – Non Executive Director  
Brian Thomas – Non Executive Director

Brett Tucker – CFO & Company Secretary

#### **Capital Structure**

Shares on Issue: 916,232,139  
Last Price (30/10/2017): \$0.014  
Market Capitalisation: ~\$12.8 million

#### **Substantial Shareholders**

Marcia Swick – 33.3%  
Savvy Capital Management – 16.7%

## September 2017 Quarter Activities Report

### HIGHLIGHTS:

#### Madagascar Graphite:

- Initial drill results from Main Zone confirm weathered mineralisation to depths of over 30 metres
- Initial Metallurgical results confirm high recoveries from standard flow sheet, high percentages of large flake and high quality graphite concentrates
- Hire of In Country Manager – Scott Reid

#### Brazil Lithium:

- First pass mapping, rock chip, soil and grab sampling of the Solonopole Lithium Project, Brazil conducted.
- 10 small scale historical lithium mines identified
- Two target zones each approximately 10km in strike have been identified with clusters of outcropping pegmatites
- Grab samples return high grade lithium results within Amblygonite pegmatites with the top 10 samples returning grades between 1.5% Li<sub>2</sub>O and 9.29% Li<sub>2</sub>O

#### Corporate Activities:

- Placement to sophisticated investors raises \$800,000
- Unmarketable Parcel Share Sale facility launched in October

## ACTIVITIES REPORT

### Madagascar Graphite quarterly activities:

#### Drilling Results:

On 31 August 2017 the Company announced the second round of drilling results which comprised of a further sixteen holes (16) holes and one trench from the Main Zone and complement the results from the initial results of 3 holes released to the ASX on 27 July.

Highlights from this further drilling include:

Hole ID	From	To	Interval	%Cg	Description
RCVT008	1.00	10.00	9.00	3.70	9m @ 3.70% Cg from 1m
RCVT012	8.50	17.50	9.00	3.18	9m @ 3.18% Cg from 8.5m
RCVT019	1.00	31.00	30.00	6.03	30m @ 6.03% Cg from 1m
incl	14.50	20.50	6.00	10.34	incl 6m @ 10.34% Cg from 14.50
RCVT025	7.00	26.50	19.50	5.59	19.5m @ 5.59% Cg from 7m
Incl	10.00	13.00	3.00	7.39	incl 3m @ 7.39% Cg from 10m
Incl	19.00	25.00	6.00	7.14	incl 6m @ 7.14% Cg from 19m
RCVT026	2.50	8.50	6.00	4.73	6m @ 4.73% Cg from 2.5m
	17.50	37.00	19.50	8.01	19.5m @ 8.01% Cg from 17.5m
RCVT027	7.00	20.50	13.50	3.10	13.5m @ 3.10% Cg from 7.0m
	31.00	37.00	6.00	5.80	6m @ 5.80% Cg from 31m
RCVT028	2.50	17.50	15.00	5.84	15m @ 5.84% Cg from 2.5m
incl	10.00	13.00	3.00	9.46	3m @ 9.46% Cg from 10.0m
	23.50	32.50	9.00	5.03	9m @ 5.03% Cg from 23.5m
RCVT029	13.00	22.00	9.00	8.39	9m @ 8.39% Cg from 13.0m
RCVT033	8.50	14.50	6.00	6.66	6m @ 6.66% Cg from 8.5m
	19.00	22.00	3.00	5.99	3m @ 5.99% Cg from 19.0m
Trench 1	201.00	252.00	51.00	6.37	51m @ 6.37% Cg from 201.0m

These recent results compliment the initial results from the Main Zone released to the ASX on July 27, 2017 which included:

- **RCVT0014: 11.50m @ 7.23% Cg, from surface;**
- **RCVT0015: 12.00m @ 4.14% Cg from 8.50m  
plus 4.50m @ 5.20% Cg, from 25.00m;**
- **RCVT0016: 19.50m @ 6.12% Cg, from 10.00m -  
Incl. 4.50m @ 10.59% Cg, from 19.00m.**

Drill Collars for the above results are listed in the table below:

Hole ID	Type	Area	mE (UTM)	MN(UTM)	mAMSL	Dip	EOH(m)
RCVT008	AC	MZ	303488	7949564	66.0	90	21
RCVT012	AC	MZ	303460	7949487	49.0	90	25
RCVT019	AC	MZ	305193	7950210	93.0	90	31
RCVT025	AC	MZ	305194	7950371	82.0	90	31
RCVT026	AC	MZ	305193	7950286	68.0	90	38.5
RCVT027	AC	MZ	305120	7950528	84.0	90	37
RCVT028	AC	MZ	305124	7950443	72.0	90	32.5
RCVT029	AC	MZ	305 110,00	7 950 609	71.0	90	40
RCVT033	AC	MZ	305181	7950614	86.0	90	29.5
TR0001	Trench	MZ	305317	79502270	85.0	NA	NA

The board of Cougar view these initial results as excellent and are in alignment with the expectations for the project.

#### **Initial Metallurgical Results:**

During the quarter the Company received results from two metallurgical samples collected from the Toamasina Saproplitic Graphite Project. The flotation test work, based on a standard graphite process flowsheet developed by Independent Metallurgical Operations (IMO), demonstrated that coarse high purity graphite flakes can be produced from this standard flowsheet.

- Details of the test work and results (and JORC Table 1) were announced on 18 July 2017. Highlights from the test work include:
- Confirmed presence of significant quantities of coarse high-grade graphite concentrate from both high and low grade raw composites;
- The high-grade sample produced a concentrate with 28% >500 µm (Super Jumbo Flake) and 65% > 180 µm (Large Flake), at an overall concentrate grade of 98.4% Total Carbon;
- The low-grade sample produced a concentrate with 53% > 180 µm (Large Flake) at an overall concentrate grade of 98.3% Total Carbon;
- Results achieved at a coarse grind size of 1 mm using conventional flowsheet;
- Flotation test work based on IMO's standard graphite process flowsheet resulted in a high grade concentrate from both low and high grade composites as shown in the table below;
- Table 3: Concentrates from High and Low Grade Composites

Size Fraction	High Grade Comp			Low Grade Comp		
	Mass	TC	LOI	Mass	TC	LOI
µm	%	%	%	%	%	%
500	28.4%	98.31	99.49	1.0%	98.52	99.04
300	21.3%	98.95	99.35	21.7%	98.52	99.04
180	15.4%	98.65	99.25	30.0%	98.92	98.63
150	6.6%	99.12	99.28	12.0%	97.29	98.36
106	7.0%	98.98	99.21	10.7%	97.11	98.44
75	6.0%	99.00	99.20	7.6%	98.17	98.31
-75	15.4%	96.53	96.27	17.0%	98.17	97.48
<b>Calc Head</b>	<b>100.0%</b>	<b>98.37</b>	<b>98.88</b>	<b>100.0%</b>	<b>98.26</b>	<b>98.45</b>

- TC = Total Carbon by LECO, LOI = Loss on Ignition at 1000°C

On 21 August 2017 an extension request was submitted which considered delays beyond the Company's control prior to 14 June 2017. This was granted unconditionally. The new dates for deliverables under the Agreement are currently:

- Complete a resource calculation (to NI 43-101 standards) by 31 October 2017 (previously 30 June 2017); and
- Complete a Preliminary Economic Assessment (to NI 43-101 standards) by 31 December 2017 (previously 31 October 2017).



The Company has continued to suffer a number of significant delays beyond its control and shall be requesting further extensions from DNI, which cannot be unreasonably withheld. Furthermore, a number of other matters, relating to site management actions, have been brought to DNI's attention. Cougar awaits a response from DNI on these significant issues.

### **Hire of Country Manager**

Cougar is pleased to advise of the appointment of Scott Reid as its Country Manager in Madagascar.

Scott has been working in Madagascar for nearly 10 years with a focus on developing mining, infrastructure and international trade related projects. As Executive Director of the American Chamber of Commerce in Madagascar he works closely with the Malagasy administration on a number of issues. The Australian Government has recently appointed him as Honorary Consul for Australia in Madagascar where he has a focus on providing consular services. As an experienced mining executive, he brings a wealth of knowledge to the role having been a founding director of Aim Resources, Discovery Metals and Gulf Industrials and served on the boards of Andean Resources, Admiralty Resources and Rimfire Pacific Mining.

### **Brazilian Lithium Project**

On 2 October 2017 the Company provided an update on the first pass mapping, soil and rock chip sampling of the Solonopole Lithium Project, Brazil with the initial staged exploration results confirmed the high-grade lithium from grab samples in 6 of the 10 identified outcropping prospects. Further, the Company advised that there would be additional exploration which will be focussed on defining the trend of the pegmatites to assist in drill targeting.

Field Mapping 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 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% Li<sub>2</sub>O and 9.29% Li<sub>2</sub>O. 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.

Follow-up exploration work, currently underway, 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.

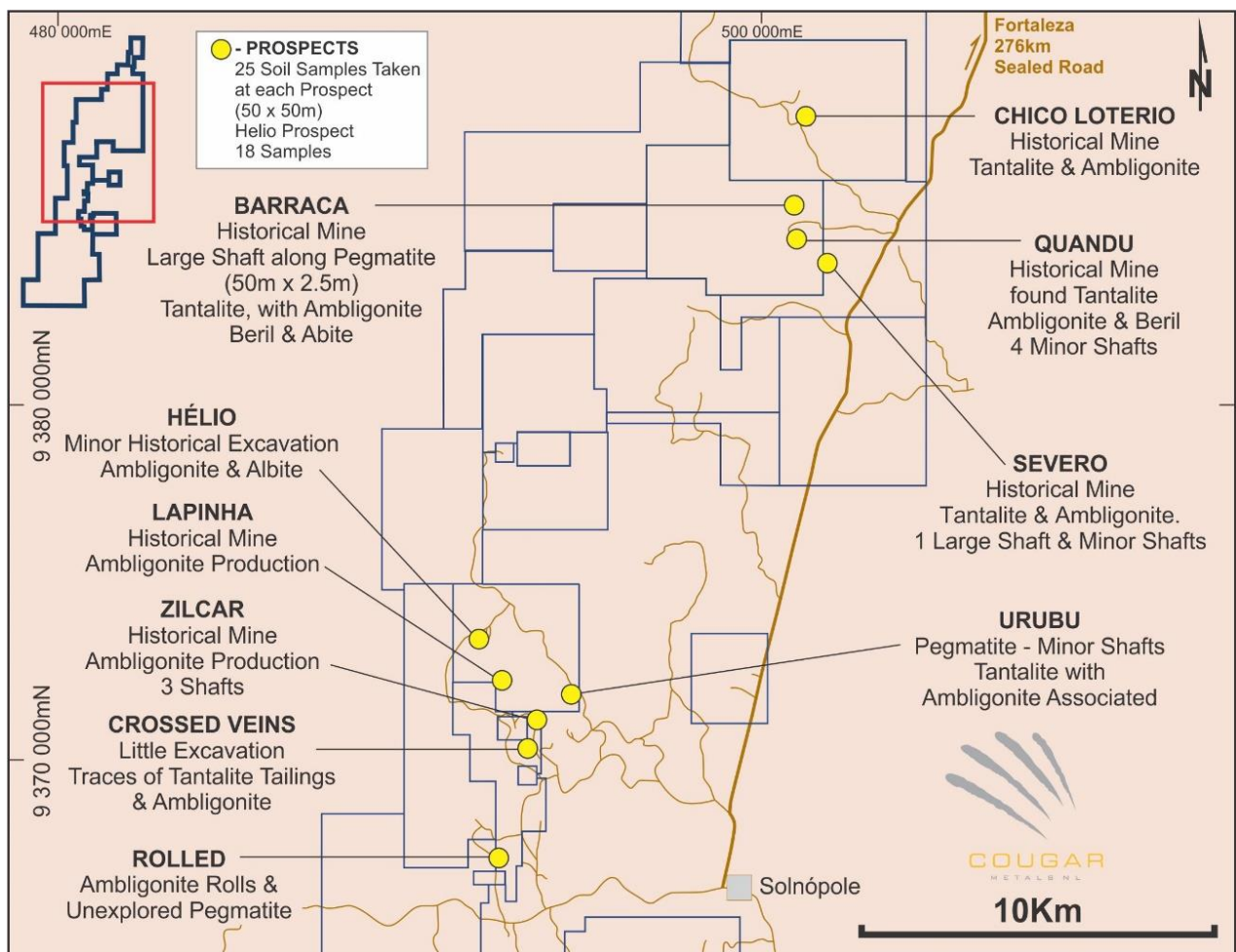


Figure 1: Historical small scale lithium mines - Solonopole Project area.

## 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% Li<sub>2</sub>O are shown in Table 1 below.

Table 1 Grab Sample Results – Solonopole Project			
Sample	Description	Li <sub>2</sub> O (%)	Ta (ppm)
AM0011	Fragments Rocks	0.14	<10
AM0041	Tailing	0.15	19
AM0045	Pegmatite Rock	0.15x	<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 <sub>2</sub> 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.

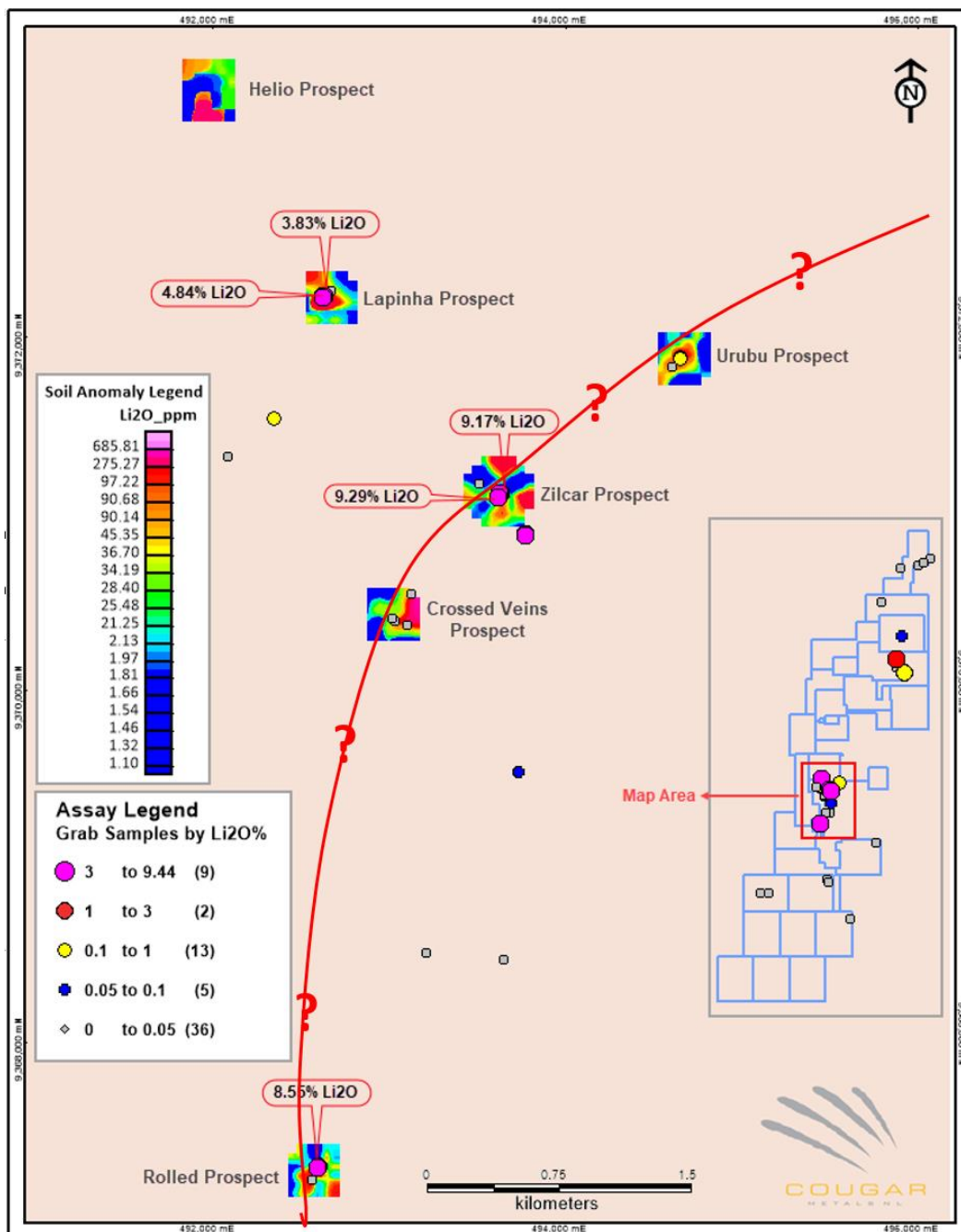


Figure 2: Grab samples and soil anomalies map over "South" Solonopole



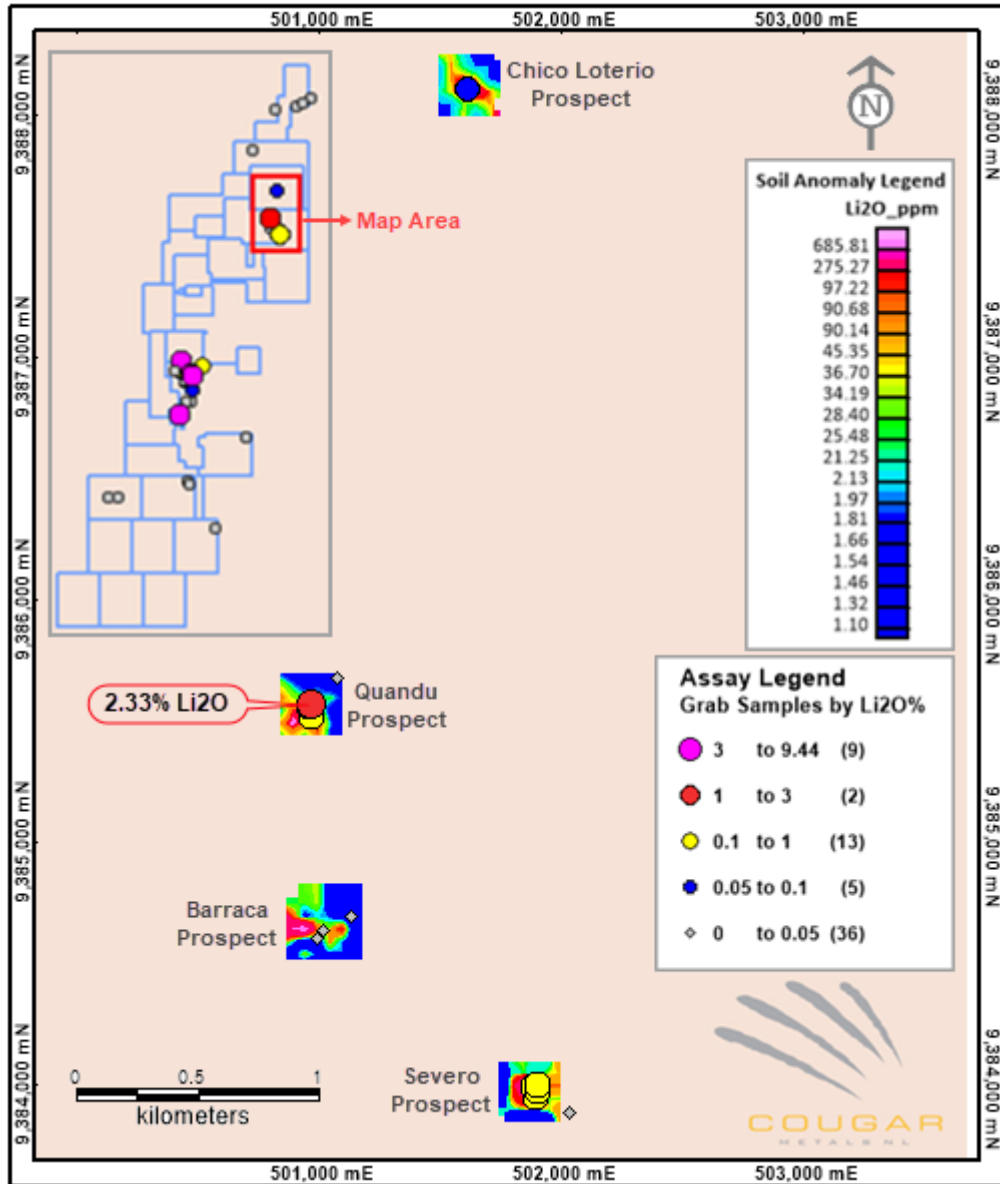


Figure 3: Grab samples and soil anomalies map over “North” Solonopole

### Drilling Business Update

As previously announced the Company made a decision to wind back drilling operations and liquidate its position in order for the Company to focus on its graphite and lithium assets exploration assets.

Further, the Company reports that it has sold its T3W drill rig located in Uruguay for approximately US\$350k and 3 Brazilian diamond rigs realising approximately R\$850,000.



**Shoal Lake East Gold Project (Canada)**

Work on the Shoal Lake East Gold Project remains in suspension pending compliance by KPM of the orders of the arbitration.

Please refer to [www.cgm.com.au](http://www.cgm.com.au) for further details on this project.

**Pyke Hill Project (Western Australia)**

No new work was conducted during the quarter. The Company continues to seek a sale or third parties who may have an interest in participating in the Project.

Please refer to [www.cgm.com.au](http://www.cgm.com.au) for further details on this project.

**Corporate**

*General meeting*

The Company held a general meeting of shareholders on 31 July and results were separately announced to the market.

*Capital Raising*

On 20 September 2017 the Company raised \$800,000 (before costs) comprising a placement of 61,538,462 shares at an issue price of \$0.013 per share to sophisticated investors.

*Unmarketable Parcel Sale Facility*

On 10 October 2017 the Company announced that it was undertaking an unmarketable parcel share sale facility for holders of unmarketable parcels of the Company's shares.

The ASX Listing Rules define an unmarketable parcel to include a parcel of shares with a market value of less than A\$500. The Company is offering this sale facility to assist holders of unmarketable parcels to sell shares without having to use a broker or pay brokerage. The Company will pay for all the costs of the sale for shareholders who use this facility, excluding tax consequences from the sale which remains the shareholder's responsibility.

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

Yours sincerely

**COUGAR METALS NL**

A handwritten signature in black ink that reads "Randal Swick".

**RANDAL SWICK**

*Executive Chairman and Managing Director*



### **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 Statements**

*The information in this report that relates to Exploration Results are extracted from ASX Announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Exploration Results or Minerals Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.*



## Summary of Tenements and Changes

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

Project (Australia)	Tenement Reference	Interest held by Cougar at 30 September 2017	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2017
Pyke Hill Nickel (Australia)*	M39/159	Ni/Co rights - 100%	-	Ni/Co rights - 100%
Shoal Lake Gold (Canada)	MH9	100%	-	100%
Shoal Lake Gold (Canada)	MH10	100%	-	100%
Shoal Lake Gold (Canada)	MH40	100%	-	100%
Shoal Lake Gold (Canada)	D259	100%	-	100%

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

Project (International)	Tenement Reference	Interest held by Cougar at 30 September 2017	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2017
Toamasina Graphite Project	PE38642	Earning to 50%	-	Earning to 50%
Ceara Lithium Project	9666/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9667/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9668/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9669/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9670/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9671/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9672/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9673/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9674/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9675/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9676/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9677/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9678/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9679/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9680/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9615/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9681/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9682/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9616/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9617/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9618/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9683/2016	Earning to 85%	-	Earning to 85%



Project (International)	Tenement Reference	Interest held by Cougar at 30 September 2017	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2017
Ceara Lithium Project	9684/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9685/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9686/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9687/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9619/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9620/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9621/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	9622/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	1521/2017	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	6349/2017	Earning to 85%	Earning to 85%	-
Ceara Lithium Project	6350/2017	Earning to 85%	Earning to 85%	-
Ceara Lithium Project	6351/2017	Earning to 85%	Earning to 85%	-
Ceara Lithium Project	6352/2017	Earning to 85%	Earning to 85%	-