

Response to ASX Aware Query

Cougar Metals NL (“Cougar” or “Company”) (ASX: CGM) provides the following responses to the questions set out in your letter dated 16 January 2018:

1. Yes, CGM considers that a reasonable person would expect that the Information would have a material effect on the price or value of its securities.
2. Not applicable per above
3. The Managing Director received lithium assay results via email related to the Solonopole project from SGS Geosol at approximately 1am WST on 10 January 2018. These results were subject to quality review by the Company and not in a format suitable for release to the ASX, therefore a trading halt was requested before the commencement of trading on 10 January 2018.
4. The Company requested a trading halt before the commencement of trading on the same day as receipt of the Information.
5. The Company confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
6. These responses have been authorised and approved by the Board of Cougar.

Yours sincerely

Brett Tucker
Company Secretary



16 January 2018

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

By email:

Dear Mr Tucker

Cougar Metals NL (“CGM”): aware query

ASX Limited (“ASX”) refers to the following:

1. The change in the price of CGM’s securities from a closing price of \$0.006 on 2 January 2018 to to an intra-day high of \$0.011 prior to CGM entering a trading halt on 9 January 2018 and an increase in the volume traded over this period.
2. CGM’s request for a trading halt effective from pre-open 10 January 2018 (“Trading Halt”).
3. CGM’s announcement entitled “Further High Grade Lithium Samples from Solonopole” lodged on the ASX Market Announcements Platform and released at 8:35 am WST (11:35 am AEDT) on 15 January 2018 (the “Announcement”), disclosing exploration results at the Solonopole lithium project (“Information”).
4. The increase in CGM’s share price to an intra-day high of \$0.016 on 15 January 2018 and an increase in the volume traded that day.
5. Listing Rule 3.1, which 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.
6. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 *One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

5. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, 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. Does CGM consider the Information referred to in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did CGM first become aware of the Information? In answering this question, please state the date and time CGM first became aware.
4. If CGM first became aware of the Information before CGM requested the Trading Halt, did CGM make any announcement prior to that date? If so, please provide details. If not, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe CGM was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps CGM took to ensure that the Information was released promptly and without delay.
5. Please confirm that CGM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. 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 half an hour before the start of trading (i.e. before 3.00 pm WST) on Friday, 19 January 2018. 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 tradinghaltsperth@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

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, 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