



ASX/Media Release  
10 October 2018

## Funding Agreement Update and Issue of Shares

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Cougar Metals NL (**Cougar** or **the Company**) (ASX: CGM) provides an update on the funding agreement with the Australian Special Opportunity Fund, LP, an entity managed by New York based, The Lind Partners, LLC (Together, **Lind**) as previously announced on 6 June 2018.

Pursuant to the funding agreement Cougar has to date received \$800,000 (less \$35,000 fee) from an issue of two tranche of convertible notes (with a combined face value of \$960,000), together with an initial prepayment for shares of \$50,000, which is now due to be settled.

As previously announced, Cougar must issue shares to satisfy each prepayment calculated based on the volume weighted average share price of the Company.

A floor price was previously agreed which limits the Company share purchase price by Lind to \$0.005 per share. However due to the market conditions, the calculated purchase price to settle the initial prepayment is now below the floor price.

Following negotiations between Lind and Cougar, both parties agreed to a full settlement of the initial prepayment by an issue of 20 million fully paid ordinary shares to Lind, with an effective share price of \$0.0025 per share. While this effective share issue price is below the floor price previously disclosed to shareholders, the Cougar Directors believe this is in the best interests of the Company due to the following:-

- having settled the prepayment in shares, Cougar can conserve cash
- the amount of shares issued is relatively small; and
- this agreement is a short term compromise due to the market condition, and Company management will revisit the funding arrangement if conditions persist.

This share issue will utilise the Company's existing placement capacity. An appendix 3B and cleansing statement is following.

Enquiries for further information regarding the Company's activities can be sent to [info@cgm.com.au](mailto:info@cgm.com.au).

**RANDAL SWICK**  
Executive Chairman

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cougar Metals NL

ABN

27 100 684 053

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                            |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued  | Shares                     |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 20,000,000                 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p> <p>.</p>
5	Issue price or consideration	Deemed issue price of \$0.0025 per share for consideration of \$50,000
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued to a nominee of Lind Partners LLC as full satisfaction of the first tranche prepayment to the Company of \$50,000 pursuant to the ongoing funding agreement
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	20,000,000 fully paid ordinary shares

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Nil				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer annexure				
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	10 October 2018				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>952,802,691</td><td>Fully Paid Ordinary Shares</td></tr></table>	Number	+Class	952,802,691	Fully Paid Ordinary Shares
Number	+Class					
952,802,691	Fully Paid Ordinary Shares					

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	3,425,725	Contributing shares with an issue price of \$0.125; paid to \$0.01
	20,000,000	Unlisted options exercisable at \$0.015 expiring 31/07/2018
	10,000,000	Unlisted options exercisable at \$0.017 expiring 30/06/2019
	40,000,000	Unlisted options each exercisable at \$0.01 and expiring on 7 June 2021
	1	Unsecured convertible security with a face value of \$360,000 expiring 7 June 2020 <sup>(i)</sup>
	1	Unsecured convertible security with a face value of \$600,000 expiring 7 June 2020 <sup>(i)</sup>

(i) Further key terms are summarised in the company's ASX announcement dated 6 June 2018.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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**Part 2 - Pro rata issue – removed as not applicable**

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+ See chapter 19 for defined terms.

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

### Entities that have ticked box 34(b)

38 Number of <sup>+</sup>securities for which <sup>+</sup>quotation is sought N/A

39 <sup>+</sup>Class of <sup>+</sup>securities for which quotation is sought N/A

<sup>+</sup> See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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<p>40 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A					
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another <sup>+</sup>security, clearly identify that other <sup>+</sup>security)</p>	N/A					
<p>42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)</p>	<table border="1"> <thead> <tr> <th>Number</th> </tr> </thead> <tbody> <tr> <td> </td> </tr> </tbody> </table>	Number		<table border="1"> <thead> <tr> <th><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td> </td> </tr> </tbody> </table>	<sup>+</sup> Class	
Number						
<sup>+</sup> Class						

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<sup>+</sup> See chapter 19 for defined terms.

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



..... Date: 10 October 2018  
Company secretary

Brett Tucker

Print name:

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+ See chapter 19 for defined terms.



## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	916,232,139
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	15,000,000 – 7 June 2018
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	931,232,139

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+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	139,684,821
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>1,570,552 – 22 December 2017</p> <p>20,000,000 – 10 October 2018</p>
<b>“C”</b>	21,570,552
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	139,684,821
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	21,570,552
<b>Total [“A” x 0.15] – “C”</b>	<p>118,114,269</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	931,232,139
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	93,123,214
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of <sup>+</sup> equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	Nil
<b>“E”</b>	Nil

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<sup>+</sup> See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	93,123,214
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	93,123,214 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

10 October 2018

Company Announcements Office  
ASX Limited

*By E-Lodgement*

**NOTICE UNDER SECTION 708(5)(e) OF THE CORPORATIONS ACT**

On 10 October 2018, Cougar Metals NL ("Cougar" or "Company") issued 20,000,000 fully paid ordinary shares in capital of the Company. These shares were issued to a nominee of the Australian Special Opportunity Fund, LP pursuant to an ongoing funding agreement with the Company as announced on 6 June 2018.

The shares were issued under the Company's placement capacity under Listing Rule 7.1.

The Company gives notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act) that:

- a) the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
- b) as at the date of this notice the Company has complied with:
  - i. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - ii. section 674 of the Corporations Act as it applies to the Company; and
- c) as at the date of this announcement, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act.

If you have any questions please call Brett Tucker on 08 9482 0560.

Yours faithfully,

**Brett Tucker**  
Company Secretary  
P: +61 8 9482 0500

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