



06 February 2019

## Ceara Lithium Project, Brazil

Cougar Metals NL (**Cougar** or the **Company**) is pleased to announce amendments to the earn in terms on the Ceara Lithium Project in Brazil (the Project) initially announced to the ASX on 3 August 2016 under a revised Memorandum of Understanding (**MOU**). The restructure of the joint venture is part of the Company's ongoing strategy to reduce its exposure to Brazil and return focus to more stable mineral exploration jurisdictions such as Australia and Chile.

The terms of the MoU with MMH Capital Ltd (**MMH**), Cougar's partners in the Ceara Lithium Project, are as follows:

1. Cougar will be recognised as a 40% owner of the project with MMH retaining 60% and both parties will vest their respective interests into a special purpose entity (**NewCo**) to hold the Project;
2. NewCo will now carry out all exploration work on behalf of the parties, with each party making contributions in proportion to their interest;
3. Both parties have the right to appoint management pro-rata to their respective interests;
4. No cash payments are due to MMH;
5. No shares shall be issued to MMH;
6. Normal industry standard default provisions apply;
7. Both parties have a first right of refusal if the other party decides to sell their interest;
8. Cougar must complete the current work program of soil sampling assays and a further 1500 soil samples prior to 30 September 2019 as a condition of the restructure.

Field work at the project is currently halted until March due to high rainfall in the area.

Commenting on the MoU, Cougar's Executive Chairman, Randal Swick, said "*The revised terms of the farm in joint venture assists with the conservation of our current working capital allowing us to focus our exploration in locations with a more acceptable sovereign risk profile such as Australia and Chile whilst maintaining exposure to a promising lithium project.*"

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**  
**RANDAL SWICK**  
Executive Chairman