

11 February 2019



Dear Optionholder,

RE: COUGAR METALS NL - NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on ASX on 11 February 2019, Cougar Metals NL (ACN 100 684 053) (**Company**) is undertaking a non-renounceable entitlement issue offer of 1 fully paid ordinary share (**Share**) for every 1 Share or for every 1 Contributing Share held by those Shareholders registered at 7.00pm 15 February 2019 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) at an issue price of \$0.002 per Share together with 1 free new Option for each 2 new Shares issued exercisable at \$0.01 on or before 31 March 2022 (**Option**) (**Entitlement**) to raise up to A\$1.96 million before costs (**Entitlement Issue**).

The Entitlement Issue is not underwritten.

The Directors have put in place a Top Up Facility that allows Eligible Shareholders to apply for additional Shares and Options (**Securities**) in excess of their Entitlement at the same price of \$0.002 per Share together with 1 free new Option for each 2 new Shares issued exercisable at \$0.01 on or before 31 March 2022.

The Entitlement Issue is accompanied by an offer for shortfall securities (**Shortfall Offer**) at the same issue price per Share under the Offer and Top Up Facility (together the **Offers**).

The Company lodged a prospectus for the Offers (**Prospectus**) with ASIC and ASX on 11 February 2019 and a copy is available at the Company's website www.cgm.com.au or under the ASX Code CGM on the ASX announcements website http://www.asx.com.au/asx/statistics/announcements.do

Eligible Shareholders will receive a copy of the Prospectus including an entitlement acceptance form which will provided instructions how to participate in the Entitlement Issue and the To Up Facility.

Option holders

The terms and conditions of the options to acquire Shares in the Company that you currently hold do not entitle you to participate in the Entitlement Issue for the underlying Shares unless you exercise your options in time for new Shares to be issued and entered on the Company's members register before 5.00pm (WST) on the Record Date, being 7.00pm WST on 15 February 2019.

To exercise your options and thereby be eligible to participate in the Entitlement Issue in



respect of the underlying Shares, you will need to deliver at Security Transfer Australia Pty Ltd, 770 Canning Highway, Applecross WA 6153, either by post or by hand:

- a duly completed notice of exercise of options (attached to this letter);
- an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- payment for the exercise price (in respect of those options to be exercised) by way
 of a cheque made payable to Echo Resources Limited or otherwise in immediately
 available funds.

This notice is important and requires your immediate attention.

If you are or become an Eligible Shareholder, then pursuant to the Entitlement Issue there are a number of actions Eligible Shareholders may take:

- take up some or all of your entitlements;
- take up all of your entitlements and apply for additional Shares under the Shortfall Offer: or
- not participate in the Entitlement Issue and if so, you do not need to take any action.

If you are eligible and wish to participate in the Entitlement Issue, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form (that will accompany the Prospectus expected to be sent to Eligible Shareholders on 20 February 2019) in accordance with the instructions on that Form.

You should consider the Prospectus in full if you are considering applying for Shares and Options under the Prospectus.

If you have any questions concerning the Offers, or the actions you are required to take to subscribe for Shares and Options, please contact your financial advisor or Ben Donovan, Company Secretary, on +61 (08) 9482 0580 or by email to admin@cgm.com.au

Yours sincerely

BEN DONOVAN COMPANY SECRETARY COUGAR METALS NL