



31 July 2019

June 2019 Quarterly Activities Report

Highlights

- DNI Metals 1st tranche payment received
- Change of share registry

Cougar Metals NL ("Cougar" or "the Company") is pleased to provide its activities report for the quarter ended 30 June 2019.

Pyke Hill Nickel/Cobalt Project Western Australia (CGM 100% Ni & Co Rights)

Dispute with Richore Pty Ltd.

In 2004 Cougar Metal's entered into an option agreement to acquire the Nickel and Cobalt Laterite rights of M39/159 (Pyke Hill) with the 100% legal owner, Greater Australian Gold (GAG). At the time Richfile Pty Ltd (a company in liquidation since 1998) was entitled to a 50% equitable interest in the tenement. The liquidator was aware of, acquiesced and did not object to the option agreement however was not a signatory – as Richfile held no legal ownership.

In September 2005 Richore Pty Ltd (**Richore**) purchased a 50% beneficial interest in tenement M39/159 (Pyke Hill) from the liquidators of Richfile Pty Ltd (**Richfile**) specifically subject to the option agreement.

In October 2018 Richore brought a plaint before the Western Australian Mining Warden seeking the partial removal of a caveat, held by Cougar over the entire Mining Tenement M39/159, in respect to Richore's 50% interest in the tenement.

Cougar is defending its position and on 23 July, 2019 a hearing was held to determine the matter.

Cougar remains confident of a ruling in its favour.

Ceara Lithium Project, Brazil (CGM 40%)

The Ceara Lithium project comprises 19 tenements covering 28,666 Ha, located in north-eastern Brazil, near the town of Solonopole, and contains 10 historically producing lithium workings.

As announced by the Company on February 6, 2019, Cougar and the vendor amended the earn in terms on the Ceara Lithium Project in Brazil (the Project) initially announced to the ASX on 3 August 2016. 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.

Work during the quarter consisted of reviewing soil sampling assays and planning for future programs.

Corporate Activities

Vohitsara Graphite Project, Madagascar - DNI Metals Inc Settlement

DNI Metals paid their first payment of CAD 250,000 on 26 April 2019.

On 27 June 2019, the Company issued a default notice to DNI Metals in relation to the second payment under a settlement agreement between the two parties dated 24 September 2018 not being made.

On 24 July, 2019 DNI issued a Notice of Breach claiming that Cougar had breached the Settlement Agreement by making public derogatory statements about DNI and its management, despite the cited examples being taken from a private conversation.

Cougar is in full compliance with the Agreement, as is evident from the absence of any public derogatory comments concerning DNI and its management post the Settlement Agreement.

The Settlement Agreement provides for the suspension of payments to Cougar in the event of an alleged breach of the agreement and Cougar's position is that DNI is abusing this clause to prevent the payment, due to Cougar on 25 July, 2019 and the subsequent triggering of the full area mining amount of CAD 2,5M falling due in the event that payment is not made.

In the absence of an alternate agreement Cougar intends to defend the Notice of Breach and enforce the terms of the Agreement.

The Lind Partners LLC - Funding Agreement

The Company continues to have a funding agreement in place with the Australian Special Opportunity Fund, LP, an entity managed by New York based, The Lind Partners, LLC (together, **Lind**).

On 9 April 2019, Lind elected to convert \$50,000 of their funding agreement, with the Company issuing 55,555,556 shares.

On 13 May 2019, Lind elected to convert a further \$50,000 of their funding agreement, with the Company issuing 55,555,556 shares.

On 27 July, 2019 Lind elected to convert a further \$50,000 of their funding agreement, requesting the Company to issue 55,555,556 shares.



The funding agreement remains in place.

Kenora Prospectors and Miners Arbitration Award

As previously reported a damages award of CAD\$1.75M was awarded to Cougar against Kenora Prospectors and Miners Limited (KPM) for various breaches of contract with respect to the Shoal Lake East Gold Project. Cougar was successful on all claims against KPM and KPM was unsuccessful on all claims against Cougar.

In January, 2019 a final award including damages, costs and interest was handed down totalling CAD\$2.52M.

As KPM does not have sufficient cash to meet any payment of the award, Cougar is currently taking steps to have the award enforced.

The recovery efforts of the award may entail the forced sale of KPM's Shoal Lake East Gold Project in the absence of an alternative arrangement.

Drilling Business

The Company continues to market the remaining drilling equipment in Brazil and divesting its non-core subsidiaries in order to simplify the group's corporate structure and remove unnecessary holding and corporate costs.

Change of Registry

On 26 April 2019, the Company changed its provider for shareholder registry services from Security Transfer Australia Pty Ltd to Automic Registry Services (Automic).

For further information please contact the undersigned via email using r.swick@cgm.com.au.

Yours sincerely

COUGAR METALS NL
RANDAL SWICK
Executive Chairman

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

ASX LISTING RULE 5.23

The Company has reported information contained in prior ASX announcements, and has cross referenced these announcements. The Company confirms that it is not aware of any new information or assumptions since those announcements were made that would likely materially change the content of those announcements.

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 31 March 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2019
Pyke Hill Nickel (Australia)*	M39/159	Ni/Co rights - 100%	-	Ni/Co rights - 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 31 March 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2019
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%
Ceara Lithium Project	800246/2016	Earning to 85%	-	Earning to 85%



Project (International)	Tenement Reference	Interest held by Cougar at 31 March 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2019
Ceara Lithium Project	800235/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800239/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800240/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800241/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800242/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800244/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800245/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800236/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800237/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800238/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800243/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800247/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800248/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800249/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800250/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800251/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800252/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800253/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800254/2016	Earning to 85%	-	Earning to 85%



Project (International)	Tenement Reference	Interest held by Cougar at 31 March 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 June 2019
Ceara Lithium Project	800255/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800256/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800257/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800473/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800474/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800476/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800477/2016	Earning to 85%	-	Earning to 85%
Ceara Lithium Project	800475/2016	Earning to 85%	-	Earning to 85%