



29 February 2016

Company Announcement Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sirs

ARBITRATION JUDGEMENT – COUGAR SUCCESSFUL

Cougar Metals NL (ASX Code: CGM) ("**Cougar**" or the "**Company**") is pleased to announce that it has succeeded on all major matters raised in its Canadian arbitration proceedings and been awarded costs totaling CAD\$297,165.44, on an indemnity basis.

The arbitration relates to Shoal Lake East Gold Project and was between Cougar's wholly owned Canadian subsidiary, Tycoon Gold Resources Inc. ("**Tycoon**"), and Kenora Prospectors & Miners, Limited ("**KPM**"). The arbitration was initiated by Tycoon in response to a claim by KPM that it had lawfully terminated the Option and Joint Venture Agreement dated 29 January 2013 ("the Agreement"). In addition, Tycoon alleged breaches by KPM of certain representations and warranties contained in the Agreement.

In arriving at his decision, Mr John A.M. Judge, the sole arbitrator, stated "Here, it is clear that Tycoon has succeeded on all major issues raised in the arbitration. Tycoon has not engaged in any misconduct and there is no principled basis on which to justify depriving Tycoon, as the successful party, of an award of costs in its favor."

The Award specifically states that the Notice of Termination issued by KPM is null and void, meaning that the Agreement remains in force but suspended pending compliance by KPM of the orders of the arbitration.

The Award is legally binding.

For further information please contact the undersigned via email at r.swick@cgm.com.au or alternatively contact Michael Fry (CFO & Company Secretary) on +61 8 9226 5002.

A handwritten signature in black ink that reads "Randal Swick".

RANDAL SWICK
MANAGING DIRECTOR