



ASX ANNOUNCEMENT – 30 June 2009

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## **Company Activities Update**

Cougar Metals NL is pleased to announce the recommencement of exploration drilling activities in the Company's Alta Floresta Gold Project in the state of Mato Grosso, Brazil.

A program of approximately 3000m of diamond drilling is planned to commence at Cougar's highly ranked prospect, Porto Estrela, in the third week of July. Immediately prior to this start-up, in the first week of July, several trenches will be cut in the general drill target area to gain further geological information, which may assist in defining discrete additional targets to incorporate in the drilling program. This trenching work will take up to two weeks to complete.

The Porto Estrela prospect is situated near Apiacas, in the western area of the Company's Alta Floresta project. It represents a large, hydrothermally altered, disseminated gold system and is a style recognised in other similar mineralised terrains. More than one million ounces of gold are reputed to have been produced from alluvial and shallow oxidised weathered material some 30 years ago in a brief but very productive burst of artisanal gold mining activity in this area.

The targeted ridge with associated surface workings can be seen from satellite photographs provided on "Google Earth" at 9° 23' 00 s 57° 14' 00 w .

On the basis of the geological mapping and sampling completed to date, an intrusive body is interpreted to exist at shallow depth, potentially sourcing the gold mineralisation at Porto Estrela.

The gold exploration target extends over an east-west trend of more than 6 km and consists of several discrete areas of garimpeiro pits, shallow open pit workings and extensive flanking areas which have been treated for alluvial gold. A ground magnetic survey was conducted over a centrally positioned 3.6km section of the 6km zone. This survey showed that magnetic anomalies coincide with the presence of hydrothermal alteration and sulphidation of the host rocks, identified from field mapping. The mineralisation exists within a zone up to 500 metres wide in the 6 km strike length. Grab samples of strongly altered fresh rock containing disseminated sulphide mineralisation have produced assays up to 2.9g/t gold and 1.9g/t silver, with elevated bismuth and potassium assays.

The initial drilling will target some of the better defined known surface gold occurrences within this very large alteration system.

Drilling will be performed by GeoLogica Sondagens, Cougar Metals 100% owned subsidiary company which was established to provide contract drilling services to the Brazilian mining sector. The drilling will be conducted on a double shift basis, 6 days per week and is expected to continue for about two months.

212 Bagot Road, Subiaco, WA, 6008  
PO Box 745, Subiaco, WA, 6904  
Phone: +61 (08) 9381 1755; Fax: +61 (08) 9381 1877  
ABN 27 100 684 053  
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Samples from the trenching and drilling programs will be transported to Cougar Metals' sample preparation facility, located at Belo Horizonte in the State of Minas Gerais. Prepared sample pulps will be air freighted to Perth, Australia for final analysis.

**Brazilian Contract Drilling Services – Geologica Sondagens Ltda.**

Geologica Sondagens is a wholly owned subsidiary of Cougar Metals NL established to provide mineral drilling services to the Brazilian mining industry. The Company was established to take advantage of spare drilling capacity with Cougar's imported rigs 2 years ago.

Diamond drilling is by far the most accepted form of mineral drilling within Brazil with RC yet to be widely accepted outside of foreign managed companies, hence the company's focus on providing that service.

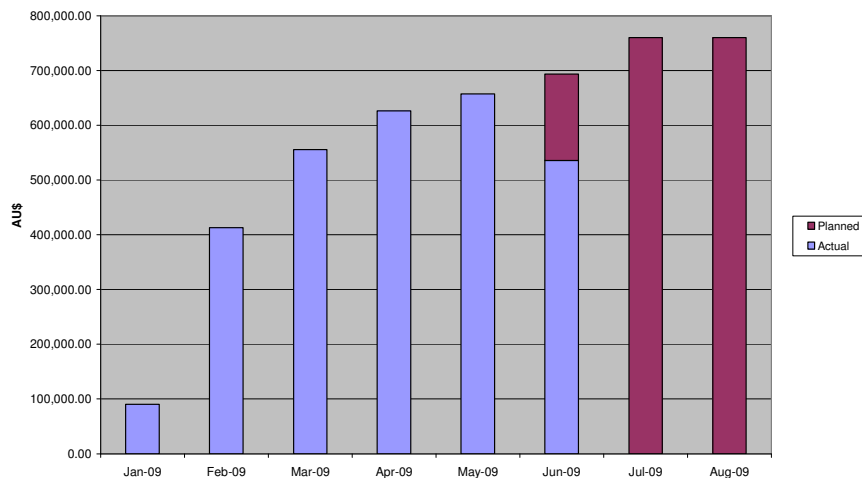
The recent global financial crisis has markedly impacted the Brazilian drilling market and in January, a typically quiet month, the Company's revenues were significantly reduced. However since then the Company has steadily improved its performance and revenues have now exceeded previous highs.

Throughout this period additional contracts have been won, which now sees Geologica's entire rig fleet located in Brazil employed. A second RC rig, which is yet to enter the country is now scheduled to arrive in September after several months of importation delays.

Geologica Sondagens currently has 6 rigs in operation (5 diamond, 1 small RC) with a seventh being hired to conduct the diamond drilling at Cougar Metals' Porto Estrella prospect in northern Mato Grosso.

The Company's revenue growth for this calendar year is shown below. The June figure represents revenue to date (20<sup>th</sup> June) and the predicted total for the month. Further modest increases in revenue are expected during July and August.

**GeoLogica Sondagens Revenue 2009**



212 Bagot Road, Subiaco, WA, 6008  
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Despite having no RC rigs working from mid April to mid June 2009, record revenues were still achieved. Due to the short term nature of Brazilian drilling contracts forward projections beyond two months have not been estimated.

For further information please contact the writer preferably by email using [r.swick@cgm.com.au](mailto:r.swick@cgm.com.au).

Yours faithfully

A handwritten signature in black ink that reads "Randal Swick". The signature is written in a cursive, flowing style.

**RANDAL SWICK**  
Executive Chairman

## **Background - About Cougar Metals NL:**

Cougar Metals is a Perth based exploration company listed on the Australian Stock Exchange (ASX Code: CGM). The Company is focused on the development of three primary "projects" - the Alta Floresta Gold Project in Brazil, the Pyke Hill Nickel Project in Western Australia and GeoLogica Sondagens, a mineral drilling business operating in Brazil.

**Alta Floresta:** The Alta Floresta Project is located in the north of Mato Grosso State in central west Brazil, covering an area of approximately 3,000km<sup>2</sup> within a 330km long portion of the Alta Floresta gold belt. Past production within this belt is estimated at five million ounces of gold. Cougar is undertaking a range of exploration activities at the project, including soil sampling and drilling, to indentify both high-grade quartz vein gold systems and bulk tonnage, disseminated gold systems.

**Pyke Hill:** The Pyke Hill Project is located 40km southeast of the Murrin Murrin Nickel Operation in Western Australia. The project hosts a JORC compliant Measured & Indicated Resource of 14.7 million tonnes grading 0.9% Ni and 0.06% Co for 131,621 tonnes of contained nickel metal (0.5% Ni cut-off).

**GeoLogica Sondagens:** Cougar provides both surface diamond and reverse circulation drilling to the Brazilian mining industry through its wholly owned Brazilian subsidiary, GeoLogica Sondagens. Brazil offers further significant opportunities for the growth of the drilling business.