

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

COUGAR METALS NL

ABN

27 100 684 053

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 22,550,901 shares (Placement)<br>172,890,242 shares (Rights Issue) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares   |

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.028 (ie, 2.8 cents) per share</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Retire secured debt, assist with the growth of the Company's Brazilian drilling business, advance exploration at the Company's prospective exploration projects in Brazil, and provide general working capital.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Placement – no later than 25 November 2009</p> <p>Rights Issue – 21 December 2009</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">345,780,484</td> <td style="text-align: center;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	345,780,484	Fully paid ordinary shares
Number	+Class				
345,780,484	Fully paid ordinary shares				

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	3,425,725	Contributing shares
	1,000,000	Unlisted Options (31 December 2010)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Placement – N/A Rights Issue - Renounceable
13 Ratio in which the +securities will be offered	Placement – N/A Rights Issue – One (1) new share for every one (1) existing share
14 +Class of +securities to which the offer relates	Fully paid ordinary shares
15 +Record date to determine entitlements	Placement – N/A Rights Issue – 25 November 2009
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17 Policy for deciding entitlements in relation to fractions	Rounded up to the nearest whole number

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18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

The Company will not be sending an offer under the Rights Issue to any shareholder who is not a resident in Australia or New Zealand as at the record date.

In compliance with Listing Rule 7.7.1, the Company has appointed Patersons Securities Limited as the nominee for foreign holders of the Company's shares. The Company will transfer to the nominee the rights that would otherwise be offered to the foreign holders. The nominee will account to those foreign shareholders for the net proceeds of the sale of the rights (if any). The nominee will have an absolute and sole discretion to determine the timing and the price at which the rights may be sold and the manner of any such sale.

19 Closing date for receipt of acceptances or renunciations

Placement – N/A

Rights Issue – 11 December 2009

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20	Names of any underwriters	Placement – N/A Rights Issue – Patersons Securities Limited
21	Amount of any underwriting fee or commission	The Underwriter will receive a placement fee of \$16,571, an underwriting fee of \$128,046, a management Fee of 1% of the total amount raised, and a corporate advisory fee of \$60,000
22	Names of any brokers to the issue	Nil
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	27 November 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	16 November 2009
28	Date rights trading will begin (if applicable)	19 November 2009
29	Date rights trading will end (if applicable)	4 December 2009
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Security holders must complete the panel headed "Instructions to Stockbroker" on the back of the Entitlement and Acceptance Form which accompanies the Prospects, and lodge that form with their stockbroker.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Security holders must complete the panel headed "Instructions to your Stockbroker" on the back of the Entitlement and Acceptance

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Form which accompanies the Prospects, and lodge that form with their stockbroker together with their cheque for the amount payable in respect of their entitlement accepted.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? Security holders must forward a completed Renunciation Form (obtainable through your stockbroker or the Company's share registrar, Security Transfer Registrars Pty Ltd) together with your Entitlement and Acceptance Form completed by the transferee together with the transferee's cheque for the amount due in respect of the new shares to reach the Company's share registry by no later than 5:00pm (WST) on 11 December 2009.
- 33 +Despatch date 21 December 2009

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought

39 Class of +securities for which  
 quotation is sought

40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next dividend,  
 (in the case of a trust,  
 distribution) or interest payment
- the extent to which they do not  
 rank equally, other than in  
 relation to the next dividend,  
 distribution or interest payment

41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:   
(Director/Company secretary)

Date: 13 November 2009.....

Print name: Randal Swick.....

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