

8 May 2012

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

Dear Sirs

CLOSURE OF SHARE PURCHASE PLAN OFFER

Cougar Metals NL (ASX Code: CGM) (the “**Company**”) is pleased to advise that the Share Purchase Plan Offer (“**SPP**”) dated 30 March 2012 has now closed; with shareholders having subscribed for 2,862,500 New Shares raising \$229,000.

This is in addition to the \$4.25 million recently raised by the Company pursuant to a private placement to sophisticated investors and institutional clients of Patersons Securities Limited that was undertaken on the same terms as the SPP.

Funds raised pursuant to the private placement and the SPP will be used to undertake aggressive exploration programs over the Company’s flagship Alta Floresta Gold Project in Brasil.

The Company’s Managing Director Randal Swick said “it was important from the Company’s perspective that shareholders in the Company, particularly those that have been long-term holders, had an opportunity to subscribe for shares in the Company on the same terms and conditions as those under the private placement. We are extremely satisfied with the quantum of funds raised pursuant to the private placement and the SPP which totals \$4.479 million. This level of funding, together with ongoing internal cash-flows being generated from our gold production and contract drilling businesses, provides the ability to undertake aggressive and well-planned exploration programs at our Alta Floresta Gold Project where we have had considerable success and encouragement over the past 12 months.”

The Company would like to thank all of its shareholders for their ongoing support as the Company endeavors to rapidly advance its Alta Floresta Gold Project.

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 9381 1755.

Yours faithfully,



RANDAL SWICK
Managing Director and Chairman