



12 April 2012

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

Dear Sirs

**SHARE PURCHASE PLAN OFFER**

Cougar Metals NL (“**Company**”) is pleased to provide the attached information in relation to the Share Purchase Plan Offer announced on 30 March 2012.

Yours faithfully,

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

**RANDAL SWICK**  
Managing Director and Chairman

**COUGAR METALS NL**  
**SHARE PURCHASE PLAN OFFER**

Cougar Metals NL (ABN 27 100 684 053) (**Company**) aims to raise up to \$1 million pursuant to the Cougar Metals NL Share Purchase Plan (**Plan**).

The Plan offers participants the ability to subscribe for up to AUD\$15,000 worth of fully paid ordinary shares in the Company (**Shares**) under the Plan. To be eligible, participants were required to have been registered as a holder of Shares in the Company, with a registered address in Australia, New Zealand or any other jurisdictions in which the Company is able to determine that the offer made under the Plan is legally permissible, as at 5:00pm (WST) on 29 March 2012 (**Eligible Shareholders**).

The proceeds of the share offers will principally be used to undertake aggressive exploration campaigns over the Company's significant and prospective landholdings in Mato Grosso, Brazil.

The offer of Shares under the Plan (**Offer**) opens on Monday, 16 April 2012 and closes at 5:00pm (WST) on Friday, 27 April 2012. No late applications will be accepted; however the directors of the Company (**Directors**) reserve the right to extend the closing date.

The purchase price for each Share under the Plan is \$0.08 per Share being the same price as the Shares issued to sophisticated and institutional investors under a placement as announced on 30 March 2012. This price is a 14.4% discount from the volume weighted average price of Shares in the Company sold on the Australian Securities Exchange (**ASX**) during the last 5 days on which the Shares traded ending 30 March 2012.

The market price of Shares in the Company may rise or fall between the date of this Offer and the date that Shares are issued to Eligible Shareholders under this Offer. This means that the price at which Shares are issued to you under this Offer may be greater or less than the prevailing market price of Shares at the date of this Offer. Further, the issue price may exceed the price at which you would be able to buy Shares on the market at the same time that Shares are issued to you under this Offer. The Company recommends that Eligible Shareholders seek financial advice from a suitably qualified adviser before deciding to participate in this Offer.

The number of Shares offered under the Plan is 12,500,000 to raise up to \$1 million, however should demand exceed this amount the Company will consider increasing the number of Shares to be issued under the Plan. There is no minimum number of Shares which must be applied for under the Offer before Shares will be issued under the Plan.

Eligible Shareholders wishing to participate must subscribe for a minimum parcel of 12,500 Shares for a consideration of AUD\$1,000, or a parcel of 25,000 Shares for a consideration of AUD\$2,000, or a parcel of 62,500 Shares for a consideration of AUD\$5,000, or a parcel of 125,000 Shares for a consideration of AUD\$10,000 or a maximum parcel of 187,500 Shares for a consideration of AUD\$15,000. No fraction of Shares will be issued. The Company reserves the right to allot fewer Shares than an Eligible Shareholder applies for under the Offer, or no Shares and any scaling of applications should demand exceed the number of Shares offered under the Plan will be announced on the allotment date and will be at the discretion of the Directors. If a scale back occurs, the Company will refund excess application monies to applicants (without interest).

Please carefully read the terms and conditions relating to the Offer, as you will be bound by them.

If you have any questions in relation to the Plan, the Offer or these terms and conditions please contact the Company Secretary on +61 (8) 9381 1755.

## KEY DATES

Date	Details
29 March 2012	<b>Record Date 5:00pm (WST)</b> The date of which the Company determined eligible shareholders.
16 April 2012	<b>Opening Date</b> The date on which the Plan opens.
27 April 2012	<b>Closing Date</b> The date on which the Plan closes. Applications and payments must be received by 5:00pm (WST).
7 May 2012	<b>Allotment Date</b> The date shares under the Plan are allotted, any scale back and the issue price of the Shares is announced.
9 May 2012	<b>Despatch Date</b> The date on which holding statements are sent to shareholders.
10 May 2012	<b>Share Trading Date</b> The date on which it is expected that shares under the Plan will commence trading on ASX.

## TERMS AND CONDITIONS

The following are the terms and conditions of the Offer under the Plan (**Terms and Conditions**). By accepting the offer to subscribe for Shares under the Plan, Eligible Shareholders will be deemed to have agreed to be bound by these Terms and Conditions and the Company's constitution.

### **1 Class order 09/425 issued by the Australian Securities and Investments Commission**

The Offer has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) (**ASIC Class Order 09/425**) to enable the Company to issue Shares without a prospectus.

### **2 Opening and closing date of the Offer**

The Offer opens at 9:00am (WST) on Monday, 16 April 2012 (**Opening Date**).

The Offer closes at 5:00pm (WST) on Friday, 27 April 2012 (**Closing Date**).

No late applications will be accepted; however the Directors reserve the right to extend the Closing Date.

### **3 Who is eligible to participate in the Offer?**

You are eligible to apply for Shares in the Offer if:

- your registered address, as recorded in the Company's register of members, is in Australia, New Zealand or any other jurisdictions in which the Company is able to determine that the Offer is legally permissible; and
- you were registered as a holder of Shares as at 5:00pm (WST) on 29 March 2012.

The Offer to each Eligible Shareholder is made on the same terms and conditions.

The Offer is non-renounceable (ie. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

### **4 Is the Offer voluntary?**

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

### **5 How was the issue price determined?**

The issue price for each Share under the Offer is \$0.08 being equivalent to the price of the Shares issued to institutional and sophisticated investors pursuant to a placement announced on 30 March 2012.

This price is a 14.4% discount from the volume weighted average price of Shares in the Company sold on ASX during the last 5 days on which the Shares traded ending 30 March 2012.

## 6 Important information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of Shares may rise or fall between the date of the Offer and the date when the Shares are issued to you under the Plan. This means that the price you pay per Share under the Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to the Offer. ***In determining whether you wish to participate in the Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.***

## 7 How much can you invest in the Offer?

Subject to paragraph 9, if you are an Eligible Shareholder under the Plan, you can subscribe for a maximum of 187,500 Shares for a total investment of AUD\$15,000. There is a minimum of 12,500 Shares that you can subscribe for under the Plan for a total investment of AUD\$1,000.

The following tranches of Shares are available for Eligible Shareholders to subscribe for.

	<b>Subscription Amount (\$AUD)</b>	<b>Shares to be allotted calculated at the issue price</b>
Tranche A	\$1,000 (minimum)	12,500
Tranche B	\$2,000	25,000
Tranche C	\$5,000	62,500
Tranche D	\$10,000	125,000
Tranche E	\$15,000 (maximum)	187,500

Please note that the limit of 187,500 Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at 29 March 2012, you can only apply for Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

No fractions of Shares will be issued.

## 8 Scale back

The number of Shares offered under the Plan is 12,500,000 to raise up to \$1 million, however should demand exceed this amount the Company will consider increasing the number of Shares to be issued under the Plan. There is no minimum number of Shares which must be applied for under the Offer before Shares will be issued under the Plan.

If applications for more than 12,500,000 Shares are received, the Company may in its absolute discretion, undertake a scale back to the extent and in the manner it sees fit. Factors which the Company may take into account in determining any scale back include, but are not limited to, the total application monies received under the Plan, the amount applied for by each Eligible Shareholder under the Plan, the number of Shares held at the Record Date, whether the Eligible Shareholder remains on the register on the Closing Date, the date the acceptance was received and any other such criteria as determined by the Directors.

If the Company rejects an application or purported application, or undertakes a scale back, the Company will promptly return to the applicant the relevant application monies, without interest. Any scale back of applications will be announced on the allotment date.

## 9 Custodian certification

If on 29 March 2012 you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 (**Custodian**) and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of AUD\$15,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for Shares pursuant to the Offer certifying the following:

- (a) either or both of the following:
  - (i) that the Custodian holds Shares on behalf of one or more other persons (each a **Participating Beneficiary**) that are not Custodians; and
  - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where paragraph 9(a)(i) applies – the Custodian; and
  - (iv) where paragraph 9(a)(ii) applies – the Downstream Custodian,
- to apply for Shares on their behalf under the Plan;
- (b) the number of Participating Beneficiaries;

- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
  - (i) where paragraph 9(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
  - (ii) where paragraph 9(a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
  - (i) where paragraph 9(a)(i) applies, the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
  - (ii) where paragraph 9(a)(ii) applies, the number or the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds AUD\$15,000:
  - (i) the Shares applied for by the Custodian on their behalf under the Plan in accordance with the instructions referred to in paragraph 9(e); and
  - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Plan as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Plan;
- (g) that a copy of the Offer document was given to each Participating Beneficiary; and
- (h) where paragraph 9(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purposes of ASIC Class Order 09/425, you are a Custodian if you are the registered holder of Shares that:

- (a) holds an Australian financial services licence that:
  - (i) covers the provision of a custodial or depository service (as these terms are defined in section 766E of the *Corporations Act 2001* (Cth)); or
  - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order 02/294; or

- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
  - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations* 2001 (Cth); or
  - (ii) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184; or
  - (iii) paragraph 911A(2)(h) of the *Corporations Act* 2001 (Cth); or
- (c) is a trustee of a:
  - (i) self-managed superannuation fund; or
  - (ii) superannuation master trust; or
- (d) is the responsible entity of an IDPS-like scheme; or
- (e) is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 7 apply.

## **10 Shareholder certification**

Subject to paragraph 9, an Eligible Shareholder must, on application for Shares pursuant to the Offer, certify to the Company that the total of the application price for Shares under the Offer does not exceed AUD\$15,000 in total in any consecutive 12 month period, when aggregated with the total contributions for any of the following:

- (a) the Shares the subject of the application under the Plan;
- (b) any other Shares applied for by the Eligible Shareholder under the Plan or any other Shares issued to the Eligible Shareholder under any similar arrangement in the 12 months before the application under the Plan; and
- (c) any other Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the Plan; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application under the Plan as a result of an instruction given by the Eligible Shareholder to the Custodian or another Custodian and which resulted in the Eligible Shareholder holding beneficial interests in the Shares.



## **11 Costs of participation**

Under the Offer applicants do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

## **12 Allotment of Shares and variation on number of Shares issued**

The Shares will be allotted within 5 business days after the Closing Date.

The Company's share registry, Security Transfer Registrars Pty Limited, will send successful applicants a holding statement in due course.

Without limiting the above, the Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer or no Shares, in the Company's discretion or if the Company believes the allotment of those Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

## **13 What rights will the Shares carry?**

Once the Shares are issued, they will rank equally with existing Shares and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

## **14 Can the Company change the Plan?**

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

## **15 Directors' participation**

The Directors, as eligible shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders of the Company.

## **16 How do you pay for the Shares?**

All amounts in the Offer are expressed in Australian dollars. You must pay for the Shares either by:

- (a) BPAY® payment via internet or phone banking. You must also quote your reference number which is on the Share Purchase Plan Application Form. If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the Closing Date and time; or
- (b) cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Cougar Metals NL**" and cheques are crossed "**Not Negotiable**".

**17 Please provide a cheque, bank draft or money order for the exact amount**

If you do not provide the exact amount, the Company reserves the right to, where you have not elected to pay by BPAY®, return your Share Purchase Plan Application Form and cheque, bank draft or money order. If the Company returns your Share Purchase Plan Application Form and cheque, bank draft or money order, no Shares will be allotted to you.

If you make a BPAY® payment and do not provide the exact amount, you will be deemed to have applied for such Shares for which you have paid, subject to the Terms and Conditions of the Plan.

If you are eligible to subscribe for Shares under the Plan and you wish to participate, you must subscribe for a minimum parcel of 12,500 Shares for a consideration of AUD\$1,000, a parcel of 25,000 Shares for a consideration of AUD\$2,000, a parcel of 62,500 Shares for a consideration of AUD\$5,000, a parcel of 125,000 Shares for a consideration of AUD\$10,000 or a maximum parcel of 187,500 Shares for a consideration of AUD\$15,000.

**18 Will the Shares be quoted on the ASX?**

The Company will apply for the Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

**19 How is a dispute resolved?**

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

**HOW DO YOU APPLY FOR SHARES UNDER THE OFFER**

If you want to participate in the Offer please carefully read the Terms and Conditions relating to the Offer.

If you make a BPAY® payment, please ensure you make a payment for the exact amount of the Share parcel you want to subscribe for. You will be deemed to have applied for such Shares for which you have paid, subject to the Terms and Conditions of the Plan. You must quote your reference number which is on the Application Form.

If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the Closing Date and time, being no later than 5:00pm (WST) on 27 April 2012. **No late applications will be accepted, although the Directors reserve the right to extend the Closing Date.**

**You do not need to return the Application Form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement**

electronically and you will be deemed to have applied for such Shares for which you have paid.

**Applicants must subscribe for a minimum parcel of 12,500 Shares for a consideration of AUD\$1,000, or a parcel of 25,000 Shares for a consideration of AUD\$2,000, or a parcel of 62,500 Shares for a consideration of AUD\$5,000, or a parcel of 125,000 Shares for a consideration of AUD\$10,000 or a maximum parcel of 187,500 Shares for a consideration of AUD\$15,000.**

If you send in your cheque, bank draft or money order, you must complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:

1. Tick the box for the number of Shares you want to subscribe for noting the amount payable for that number of Shares.
2. Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the Shares you wish to subscribe for. Insert your telephone contact numbers so that we may contact you if necessary.
3. Insert your telephone contact numbers so that we may contact you if necessary.
4. You do not need to sign the Application Form.
5. Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel you want to subscribe for, payable to "**Cougar Metals NL**" and cheques crossed "**Not Negotiable**".
6. Return the completed Application Form, together with the cheque, bank draft or money order to Security Transfer Registrars Pty Limited to:

Security Transfer Registrars Pty Limited  
770 Canning Highway  
APPLECROSS WA 6153

7. Ensure that your completed Application Form and payment reach Security Transfer Registrars Pty Limited by the Closing Date of the Offer being no later than 5:00pm (WST) on 27 April 2012. **No late applications will be accepted, although the Directors reserve the right to extend the Closing Date.**

In determining whether you wish to participate in the Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

**By accepting the Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.**