

30 March 2012

ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs

CAPITAL RAISING

Cougar Metals NL (ASX Code: CGM) is pleased to announce details of a planned \$5.25 million capital raising via a private placement and a share purchase plan. The Company has to date raised \$4.25 million by way of a private placement of 53,125,000 shares at an issue price of 8 cents per share (Placement) to sophisticated investors and institutional clients of Patersons Securities Limited (Patersons). Patersons are acting as Lead Manager to the Placement.

The directors of the Company understand that achieving a balance between having sufficient levels of working capital whilst minimising shareholder dilution is an important issue. Whilst cash flows to date have sustained the Company, the directors believed that further funding was necessary in order for the Company to achieve its full potential in maximising shareholder wealth. The funds will principally be used to undertake aggressive exploration campaigns over its significant and prospective landholdings in Mato Grosso, Brazil.

In addition to the Placement, a further \$1 million will be offered to existing shareholders pursuant to a share purchase plan (**Plan**). The Plan is not underwritten but will also be lead managed by Patersons. Under the terms of the Plan, eligible shareholders registered at 5:00pm on 29 March 2012 will be offered the opportunity to subscribe for up to \$15,000 worth of shares at an issue price of 8 cents per share. The number of shares offered under the Plan is 12,500,000, however should demand exceed this amount the Company will consider increasing the number of shares to be issued under the Plan.

The timetable for the Plan is anticipated to be:

Record Date	29 March 2012
Dispatch Plan Documents to Eligible Shareholders	11 April 2012
Closing Date	26 April 2012
Allotment Date	7 May 2012

The directors reserve the right to vary the above timetable, or to close the offer early.

For further information please contact the undersigned or Michael Fry, Company Secretary on (08) 9381 1755.

Yours sincerely,

Cougar Metals NL

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

Randal Swick
Managing Director