



# FY2012 Half Year Results

## ASX Announcement

15 March 2012

**Cougar Metals NL** is a Perth based exploration company listed on the Australian Securities Exchange (ASX:CGM).

The Company is focused on exploring the highly prospective Alta Floresta gold belt in central west Brazil, where it holds granted tenements covering an area in excess of 1,450km<sup>2</sup> and where past production is estimated at five million ounces of gold. Much of the immediate focus is centred on Ze Vermelho Gold Prospect where the Company has received numerous highly encouraging high grade gold assay results and where it is currently undertaking trial mining, which is providing important information about the structure and grade of mineralisation, whilst at the same time generating strong cash-flows from the treatment of the ore.

The Company also operates growing mineral drilling businesses in Brazil and Uruguay, providing surface diamond, reverse circulation and RAB drilling services to the rapidly growing South American mineral resource industry. The Company currently operates a fleet of 13 rigs with plans to grow this in the near future.

In addition, the Company also holds the mineral rights to the Pyke Hill Measured plus Indicated Resources of 14.7mt @ 0.9% Ni (March 2008).

#### Directors

Randal Swick – Chairman  
Jeff Moore – Director  
Paul Hardie – Director

#### Senior Management

Randal Swick – Managing Director  
Michael Fry – CFO & Company Secretary  
Jayme Leite – Exploration Manager

#### Capital Structure

Shares on Issue: 406,223,576  
52 week range: \$0.02 - \$0.11  
Last Price (14/3/12): \$0.094  
Market Capitalisation: \$38.2 million

#### Substantial Shareholders

Savvy Capital Management – 34.06%  
Marcia Swick – 19.61%  
Top 20 – 64.84%

## HIGHLIGHTS

- Significantly increased contribution from gold business which generated a profit of \$1.7m on revenue of \$3.3m in overall result of \$2.1m profit on \$12.6m revenue.
- Investment in infrastructure in gold business expected to support significant future gold production.
- Continued exploration success at Ze Vermelho and identification of gold mineralisation at nearby Pedra Branca.
- Improved operational performance in Brazil drilling business.
- Decision by principal client in Uruguay to scale back drilling activity has led to decision to relocate equipment to Brazil.
- Significant ongoing internal demand for drilling within Cougar's own tenement portfolio to be met by the relocation of drilling equipment from Uruguay.
- Brazil drilling market provides good opportunities for new work.

Cougar Metals NL (ASX Code: CGM) is pleased to announce a net profit after tax of \$2,102,692 on revenue of \$12,571,105 for the six months ended 31 December 2011.

Revenue increased 64% on prior corresponding period. And profit after tax increased from \$13,621 to \$2,102,692.

Randal Swick (Managing Director) states: "The first half has seen a continuation of the strong performance that occurred during the 2011 financial year. Specifically the gold business has performed well, and we have laid a strong foundation for the future with a number of major infrastructure projects being completed during the half, most notably the construction and commissioning of a cyanide circuit for the purposes of treating tailings and the installation of a power network.

Most significantly, we continue to have ongoing exploration success

at and around Ze Vermelho and the recently completed IP survey has identified numerous additional structures for testing. Testing of the first of these structures identified a previously unknown extension of the Ze Vermelho vein to the south-east, which we refer internally to as 'Pedra Branca', demonstrating that geophysical surveying is likely to be a valuable tool in identifying gold mineralisation in the area.

Within the drilling business we saw a significant turnaround in operational performance in Brazil. However in Uruguay, the decision by our principal client to reduce its level of drilling activity, has impacted that business significantly. The reduction in demand in Uruguay will however provide us with the ability to relocate the drilling equipment into Brazil where demand for new work is strong and where we have a large internal demand within the Company."

"The results achieved over the past eighteen months identify the path we are on and the position of strength we are working towards."

The half year result compared to the previous corresponding period is summarised below:

	H1 FY2012	H1 FY2011	Change (%)
<b>Revenue</b>	<b>12,571,105</b>	<b>7,645,766</b>	<b>+64.42%</b>
<b>Earnings before Interest, Tax and depreciation</b>	<b>2,921,331</b>	<b>523,228</b>	<b>+458.33%</b>
Interest expense	11,357	10,593	
Depreciation	807,282	510,829	
<b>Profit before tax</b>	<b>2,102,692</b>	<b>1,806</b>	<b>+116,328.13%</b>
<b>Net profit after Tax (NPAT)</b>	<b>2,102,692</b>	<b>13,621</b>	<b>+15,337.13%</b>
<i>NPAT Margin</i>	<i>16.73%</i>	<i>0.18%</i>	

**This announcement is to be read in conjunction with the Company's Half Year Accounts attached.**

For further information please contact the undersigned via email at [r.swick@cgm.com.au](mailto:r.swick@cgm.com.au) or alternatively contact Michael Fry (CFO & Company Secretary) on +61 8 9381 1755.

Yours sincerely

**COUGAR METALS NL**



**RANDAL SWICK**

*Executive Chairman*