



26 July 2019

UPDATE OF DEFAULT BY DNI METALS INC

Cougar Metals NL (**Cougar** or the **Company**) advises that DNI Metals Inc (**DNI**) has served Cougar Metals NL with a purported Notice of Breach in regard to a Settlement Agreement dated 24 September 2018.

The Notice of Breach claims that Cougar has breached the agreement citing a clause that states that neither party can make any “disparaging, negative or defamatory statements, remarks or communications of any kind to anyone in any public or online forum, or in any manner whereby such statements, remarks or communications are or may be published or publicly available...”

Cougar denies that it has breached this clause.

Cougar has requested that DNI provide evidence of the claimed breach, specifically the public nature of the claimed comments. However, DNI has not provided the requested details preferring to “leave the legal arguments about the breadth of the non-disparagement obligation to the lawyers”.

The Notice of Breach was served with just one day remaining before the outstanding award of CAD\$2,250,000 would become immediately due and payable unless DNI cured its default for the non-payment of CAD\$250,000 that was due on 22 June 2019.

Cougar has referred the matter to the arbitrator and expects a swift resolution in Cougar’s favour.

For further information please contact the undersigned via email using r.swick@cgm.com.au.

Yours sincerely

COUGAR METALS NL

RANDAL SWICK

Executive Chairman