



27 June 2019

VOHITSARA GRAPHITE PROJECT DNI METALS INC DEFAULT

Cougar Metals NL (**Cougar** or the **Company**) advises that it has served DNI Metals Inc (**DNI**) a Notice of Default in relation to the settlement agreement between the two parties dated 24 September 2018.

The Company notes that DNI defaulted on the first instalment of the settlement, however rectified the default by paying the sum of CAD\$250,000 within 30 days of the default.

Cougar intends to pursue its rights in respect of the settlement and as such has notified DNI of the default. DNI now have 30 days to rectify the default by paying a further CAD\$250,000 by 25 July 2019 or the full remaining settlement amount, being CAD\$2,250,000, becomes immediately due and payable.

About DNI Metals Inc.

DNI Metals Inc holds the adjacent Vohitsara and Marafody Graphite projects in Madagascar.

The Vohitsara property contains a resource, open in all directions of 4 million tonnes@ 5.0% Cgr (Graphitic Carbon) with 65% large and jumbo flake graphite. Vohitsara is currently held under Artisanal Licence PRE38642.

Vohitsara Resource is comprised of close to surface oxide material and is located 50km by sealed road to Madagascar's principal port. Mining and transport costs are therefore expected to be lower than most alternative sources of graphite.

DNI purchased the Marafody project, held under Extractive Licence PE8904, in October 2017 for USD 1.65 million. Although prospective for graphite, no resources have been defined.

On 24 October 2018 DNI announced that, despite previous claims, applications for various licences over the properties were not submitted for approval and an investigation identified various documents and receipts to be fraudulent. Concurrently, DNI announced the dismissal of its then country manager, Mr Steven Goertz.

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

Yours sincerely

COUGAR METALS NL

RANDAL SWICK

Executive Chairman