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**COUGAR METALS NL**

**ABN 27 100 684 053**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 4:00pm (WST)

**DATE:** Wednesday, 30 November 2011

**PLACE:** The Celtic Club, 48 Ord Street, West Perth, Western Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 9381 1755.*

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 4:00pm (WST) on Wednesday, 30 November 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

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### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important. You may vote by attending the meeting in person, by proxy or by authorised representative.

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### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm on 28 November 2011.

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### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

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### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company's share registry, Security Transfer Registrars, by:

- (a) **hand** to 770 Canning Highway, Applecross, Western Australia;
- (b) **post** to PO Box 535, Applecross, Western Australia, 6953; or
- (c) **facsimile** on (+61 8) 9315 2233,

so that it is received not less than 48 hours prior to commencement of the Annual General Meeting.

**Proxy Forms received later than this time will be invalid.**

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting.

Broadly, the changes mean that:

- if proxy holders vote, they must vote all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote on the proxies as directed.

Further details on these changes is set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending at the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting of the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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Notice is hereby given that the Annual General Meeting of Shareholders will be held at 4:00pm (WST) on Wednesday, 30 November 2011 at:

The Celtic Club  
48 Ord Street  
West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

## BUSINESS

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial year ended 30 June 2011.”*

**Short Explanation:** The Annual General meeting of a listed company must propose that the Remuneration Report be adopted by Shareholders.

**Voting Exclusion:** A vote on this resolution must not be cast (in any capacity) by or on behalf of the following persons:

- (a) Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) any Closely Related Party of such Key Management Personnel.

However, a person described above may vote on this resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- (d) the vote is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) above.

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### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PAUL HARDIE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That Mr Paul Hardie, a director of the Company who retires by rotation in accordance with Rule 7.3(a) of the Constitution and is eligible for re-election, is re-elected as a director of the Company.”*

**Short Explanation:** Pursuant to Rule 7.3(a) of the Constitution, if the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each Annual General Meeting. A Director who retires in accordance with Rule 7.3(a) of the Constitution is eligible for re-election at the Annual General Meeting.

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3. **RESOLUTION 3 – EMPLOYEE OPTION PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the issue of Options under the Employee Option Plan, the terms of which are summarised in the Explanatory Statement.”*

**Short Explanation:** Shareholders adopted the Employee Option Plan on 2 September 2002, prior to the Company’s admission to the official list of ASX in December 2003. By the time of the Annual General Meeting more than 3 years will have elapsed since the issue of Options under the Employee Option Plan was last approved by Shareholders. Accordingly, shareholder approval of the issue of Options under the Employee Option Plan must be “refreshed” if the relevant exception to Listing Rule 7.1 is to continue to apply.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), and any associates of those persons.

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**OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

**DATED: THURSDAY, 27 OCTOBER 2011**

**BY ORDER OF THE BOARD**



**RANDAL SWICK  
MANAGING DIRECTOR**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions set out in the accompanying Notice of Meeting.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

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## FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available at <http://www.cgm.com.au>.

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

#### 1.1 General

The Remuneration Report is a distinct part of the annual director's report for a listed company and must contain disclosure of the remuneration arrangements for the Directors and senior management of the Company.

The Corporations Act requires that the annual general meeting of a listed company must propose a resolution that the Remuneration Report be adopted by Shareholders. However, such a resolution is advisory only and does not bind the Directors.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of new directors to the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 Annual General Meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, each person whose election or re-election as a Director is approved will become a Director.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### 1.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

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### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

Rule 7.3(a) of the Constitution requires that, if the Company has 3 or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each Annual General Meeting.

Pursuant to Rule 7.3 of the Constitution, the Directors to retire in these circumstances are eligible for re-election and shall be those who have held their office as Director the longest period of time since their last appointment. The Rule does not apply to the Managing Director of the Company.

Mr Paul Hardie, a director of the Company will retire in accordance with Rule 7.3(a) of the Constitution and, being eligible, seeks re-election.

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### **3. RESOLUTIONS 3 – SHARE OPTION PLAN**

#### **3.1 General**

This resolution is put to Shareholders for the purposes of Listing Rule 7.2 (Exception 9) to issue Options pursuant to the Employee Option Plan.

Shareholders adopted the Employee Option Plan on 2 September 2002, prior to the Company's admission to the official list of ASX in December 2003. The Employee Option Plan was last approved by Shareholders at the 2008 Annual General Meeting. By the time of the 2011 Annual General Meeting more than 3 years will have elapsed since the issue of Options pursuant to the Employee Option Plan was last approved by Shareholders. Accordingly, shareholder approval of the issue of Options under the Employee Option Plan must be "refreshed" to enable the Company to issue Options under the Employee Option Plan within the requirements of Listing Rule 7.2 (Exception 9).

The Directors consider it desirable to maintain an employee incentive scheme under which selected directors, employees and contractors of the Company may be offered the opportunity to subscribe for Options in order to increase the range of potential incentives and to strengthen links between the Company and its directors, employees and contractors.

Shareholders can inspect the Employee Option Plan prior to the Annual General Meeting at the Company's registered office or may be provided with a copy of the Employee Option Plan free of charge by contacting the Company. The Employee Option Plan will also be available for inspection at the Annual General Meeting.

The total number of Options issued under the Employee Option Plan since it was last approved by Shareholders is 15,000,000.

#### **3.2 Summary of Employee Option Plan**

The following is a summary of the key terms of the Employee Option Plan:

- a) subject to the Corporations Act and the Listing Rules, the Directors may, at such times as they determine, issue an invitation (in such form as the Directors decide from time to time) to eligible participants inviting them to apply for the issue of Options upon and subject to the terms and conditions of the Employee Option Plan;
- b) subject to the Corporations Act and the Listing Rules, the Directors may, in their absolute discretion, determine the terms of any Options issued under the Employee Option Plan;
- c) in the event the Directors elect not to exercise their discretion or otherwise fail to do so, then subject to the Corporations Act and the Listing Rules, the standard terms specified in the schedule to the Employee Option Plan shall apply in respect of each Option issued under the Employee Option Plan provided that the Directors must specify the exercise price and the expiry date for each Option prior to the date of issue;
- d) the Directors may accept or reject any application for Options under the Employee Option Plan;
- e) invitations to apply for the issue of Options under the Employee Option Plan cannot be issued if the number of Shares which would be issued pursuant to the exercise of all Options the subject of the proposed invitation (when aggregated with the number of Shares that have been issued pursuant to all employee share schemes established by the Company during the previous 5 years) exceeds 5% of the total number of issued Shares as at the date the proposed invitation is considered;
- f) subject to the Corporations Act, the Listing Rules and the Employee Option Plan, the Directors shall have the power to determine appropriate procedures for the administration of the Employee Option Plan including the right to resolve questions of fact or interpretation arising in connection with the Employee Option Plan and the right to amend the Employee Option Plan from time to time; and
- g) the Employee Option Plan may be terminated at any time by the Directors but such termination will not affect the rights of holders of Options issued prior to the date of termination.

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### **4. ENQUIRIES**

Shareholders may contact Mr Michael Fry (Company Secretary) on (+ 61 8) 9381 1755 if they have any queries in respect of the matters set out in this document.

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## GLOSSARY

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**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as Australian Securities Exchange operated by it.

**Closely Related Party** of a member of the key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations* 2001 (Cth) for the purposes of this paragraph.

**Company** means Cougar Metals NL (ABN 27 100 684 053).

**Constitution** means the constitution of the Company as amended from time to time.

**Corporations Act** means the *Corporations Act* 2001 (Cth).

**Directors** means the directors of the Company from time to time.

**Employee Option Plan** means the Employee Option Plan of the Company adopted by the Company on 2 September 2002.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the Australian Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Listing Rules** means the Listing Rules of ASX.

**Notice of Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

COUGAR METALS NL

ABN: 27 100 684 053

REGISTERED OFFICE:
SUITE 32-35
22 RAILWAY ROAD
SUBIACO WA 6008

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: CGM

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Empty box for Chairperson appointment

OR

Grid for name of person appointed

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions...

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Table with 3 columns: Resolution, For, Against, Abstain\*. Rows include Adoption of Remuneration Report, Re-election of Director - Mr Paul Hardie, Employee Option Plan.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of resolution 1 and votes cast by him/her other than as a proxy holder will be disregarded because of that interest.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Signature lines for Individual or Security Holder, Security Holder 2, and Security Holder 3.

9482356210 Reference Number:

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CGM 1

