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**COUGAR METALS NL**

**ABN 27 100 684 053**

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** Wednesday, 8 September 2010

**PLACE:** 45 Ventnor Avenue, 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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## CONTENTS PAGE

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Notice of General Meeting (setting out the proposed resolutions)

Explanatory Statement (explaining the proposed resolutions)

Glossary

Proxy Form

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on Wednesday, 8 September 2010 at 45 Ventnor Avenue, West Perth, Western Australia.

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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

### 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 later than 10:00am (WST) on Monday, 6 September 2010.

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

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at 10:00am (WST) on Wednesday, 8 September 2010 at 45 Ventnor Avenue, West Perth, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered shareholders of the Company at 10:00am (WST) on Monday, 6 September 2010.

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 – RATIFICATION OF PRIOR PLACEMENT OF SHARES

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 22,550,901 Shares on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** A prior equity issue can be ratified by Shareholders in accordance with the Listing Rules. This allows the Company the flexibility to issue securities in the future up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the placement of Shares (refer to Explanatory Statement), and any associates of those persons.

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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, for the purposes of Rule 7.3(f) of the Constitution and for all other purposes, Mr Paul Hardie, a director of the Company who was appointed 18 February 2010, retires and, being eligible, is re-elected as a director of the Company."*

**Short Explanation:** Pursuant to Rule 7.3(f) of the Constitution, a director who is appointed by the Directors must retire at the next meeting of Shareholders. A director who retires in accordance with Rule 7.3(f) of the Constitution is eligible for re-election at the meeting.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Paul Hardie, and any of his associates.

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### 3. RESOLUTION 3 – ISSUE OF OPTIONS TO MR RANDAL SWICK

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

*“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 3,000,000 Options to Mr Randal Swick (a director of the Company) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Pursuant to the Corporations Act and the Listing Rules, in order to give a related party of the Company a financial benefit, the Company must obtain the approval of Shareholders prior to giving the benefit.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Randal Swick, and any of his associates.

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### 4. RESOLUTION 4 – ISSUE OF OPTIONS TO MR JEFFREY MOORE

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

*“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 3,000,000 Options to Mr Jeffrey Moore (a director of the Company) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Pursuant to the Corporations Act and the Listing Rules, in order to give a related party of the Company a financial benefit, the Company must obtain the approval of Shareholders prior to giving the benefit.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Jeffrey Moore, and any of his associates.

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### 5. RESOLUTION 5 – ISSUE OF OPTIONS TO MR PAUL HARDIE

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

*“That for the purpose of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 3,000,000 Options to Mr Paul Hardie (a director of the Company) on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** Pursuant to the Corporations Act and the Listing Rules, in order to give a related party of the Company a financial benefit, the Company must obtain the approval of Shareholders prior to giving the benefit.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Paul Hardie, and any of his associates.

**DATED: TUESDAY, 20 JULY 2010**

**BY ORDER OF THE BOARD**



**JEFFREY MOORE  
COUGAR METALS NL  
DIRECTOR**

**Voting Exclusion Note:**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- the person chairing the General Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

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## EXPLANATORY STATEMENT

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This Explanatory Statement provides information on the resolutions to be considered at the General Meeting to be held at 10:00am (WST) on Wednesday, 8 September 2010 at 45 Ventnor Avenue, West Perth, Western Australia.

The purpose of the Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the resolutions set out in the Notice of Meeting.

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

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR PLACEMENT OF SHARES

#### 1.1 Background

On 12 November 2009, the Company announced a placement of 22,550,901 Shares at an issue price of \$0.028 per Share. The placement was made to institutional and sophisticated investor clients of Patersons Securities Limited. The Company placed these Shares under its 15% placement capacity and now seeks (pursuant to Resolution 1) the approval of Shareholders to ratify, in accordance with Listing Rule 7.4, the issue of the 22,550,901 Shares.

#### 1.2 Listing Rule 7.4

Listing Rule 7.4 allows an entity to obtain subsequent approval of a security issue and thereby have the issue treated for the purposes of Listing Rule 7.1 as if it had received prior shareholder approval, provided that the issue of securities did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

#### 1.3 Information Requirements

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 22,550,901;
- (b) the Shares were allotted at an issue price of \$0.028 per Share;
- (c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (d) the Shares were allotted and issued to the following entities, who were not related parties of the Company:

| Allotee                            | Shares    |
|------------------------------------|-----------|
| Ernio Eolini                       | 3,571,429 |
| Maoyi Investments Pty Ltd          | 3,571,428 |
| Giuseppe Paolo Graziano            | 1,785,715 |
| JoJo Enterprises Pty Ltd           | 1,435,714 |
| Somnus Pty Ltd                     | 957,143   |
| Penleigh Banner Pty Ltd            | 957,143   |
| Christian Girodet                  | 717,857   |
| Raven Investments Holdings Pty Ltd | 714,286   |

|                                  |         |
|----------------------------------|---------|
| Dewheath Pty Ltd                 | 714,286 |
| St Honore Investments LLC        | 478,571 |
| Sancoast Pty Ltd                 | 478,571 |
| Panstyn Investments Pty Ltd      | 478,571 |
| Morble House Investments Pty Ltd | 478,571 |
| B Malone & M D McDermott         | 478,571 |
| Advance Publicity Pty Ltd        | 478,571 |
| AMN Nominees Pty Ltd             | 475,000 |
| Andrew James Vasarelli           | 469,000 |
| J D & Michael Clarke Dix         | 357,142 |
| KIS Capital Partners             | 311,071 |
| Speck Survey & Design Pty Ltd    | 239,286 |
| Paul Jacobs                      | 239,286 |
| Sam Robertson Espie              | 239,286 |
| Toltec Holdings Pty Ltd          | 191,429 |
| Thang Pty Ltd                    | 191,429 |
| Jomina Pty Ltd                   | 191,429 |
| Kitson Pty Ltd                   | 150,000 |
| Kevin D'Souza                    | 143,571 |
| Christopher Bollam               | 134,000 |
| Albany WA Pty Ltd                | 119,643 |
| Just Walk Investments Pty Ltd    | 119,642 |
| Loften Pty Ltd                   | 107,192 |
| Ray Cockerill Pty Ltd            | 107,143 |
| J M & Nicholas A Lee             | 107,143 |
| Elmoson Pty Ltd                  | 107,143 |
| T L & Malcom R Walker            | 95,714  |
| Rory Jo Thomson                  | 95,714  |
| Persal & Co Investments Pty Ltd  | 95,714  |
| Paul Lay                         | 95,714  |
| Heavy Holdings Pty Ltd           | 95,714  |
| Bluemax Investments Pty Ltd      | 95,714  |
| Beirne Trading Pty Ltd           | 95,714  |
| Paul Andrew Armstrong            | 95,714  |
| Ian Stuart Watson                | 71,786  |
| Jodi Investments Pty Ltd         | 71,786  |
| G M & R T Saunders               | 53,571  |
| Operandi Pty Ltd                 | 53,571  |
| Jerry David Lobban               | 53,571  |
| Sally Anne Burton                | 53,571  |
| J M & Jeffrey J Burton           | 53,571  |
| Anissem PL & Tauchelle Pty Ltd   | 53,571  |
| Reginald Stewart Fuge            | 23,929  |

- (e) the funds raised are being used to assist with the growth of the Company's Brazilian drilling business, GeoLogica Sondagens Ltda, advancing exploration at the Company's prospective exploration projects in Brazil and general working capital.

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

Rule 7.2(b) of the Constitution allows the Directors to appoint any person as a director of the Company, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Rule 7.3(f) of the Constitution, any person so appointed holds office as a director of the Company only until the next following meeting of Shareholders at which time he or she must retire but is then eligible for re-election.

Mr Paul Hardie, who was appointed as a director of the Company on 18 February 2010, will retire in accordance with Rule 7.3(f) of the Constitution and, being eligible, seeks re-election

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## **3. RESOLUTIONS 3, 4 AND 5 – ISSUE OF OPTIONS TO DIRECTORS**

### **3.1 General**

The Company is seeking the approval of Shareholders for the issue of 9,000,000 Options to Directors as follows:

- (a) Mr Randal Swick – 3,000,000 Options;
- (b) Mr Jeffrey Moore – 3,000,000 Options; and
- (c) Mr Paul Hardie – 3,000,000 Options,

on the terms and conditions set out below.

The issue of Options to the Directors in accordance with Resolutions 3, 4 and 5 is designed to provide an incentive for future performance.

### **3.2 Chapter 2E of Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party of that public company unless one of a number of exceptions applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the General Meeting, a “related party” includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, Messrs Swick, Moore and Hardie are related parties of the Company by virtue of the fact that they are Directors.

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and



- (b) give the benefit within 15 months following such approval.

For avoidance of doubt, the Company is seeking the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act in respect of the Options proposed to be issued to Messrs Swick, Moore and Hardie.

The following information is provided to satisfy the requirements of Section 219 of the Corporations Act:

- (a) the related parties to whom Resolutions 3, 4 and 5 would permit financial benefits to be given are Randal Swick, Jeffrey Moore and Paul Hardie respectively;
- (b) the proposed financial benefits to be given are:
- (i) the issue of 3,000,000 Options to Randal Swick;
  - (ii) the issue of 3,000,000 Options to Jeffrey Moore; and
  - (iii) the issue of 3,000,000 Options to Paul Hardie;
- (c) the full terms and conditions of the Options to be issued to the Directors are set out in Annexure A to this Explanatory Statement;
- (d) the relevant interests of the Directors in the securities of the Company are set out below:

| <b>Director</b> | <b>Shares</b> | <b>Contributing Shares</b> | <b>Options</b> |
|-----------------|---------------|----------------------------|----------------|
| Randal Swick    | 33,760,060    | Nil                        | Nil            |
| Jeffrey Moore   | 1,500,000     | Nil                        | Nil            |
| Paul Hardie     | Nil           | 25,000                     | Nil            |

- (e) the remuneration and emoluments from the Company to the Directors for both the current financial year and the previous financial year are set out below:

| <b>Director</b> | <b>Current Financial Year (\$)</b> | <b>Previous Financial Year (\$)</b> |
|-----------------|------------------------------------|-------------------------------------|
| Randal Swick    | \$13,750                           | \$182,320                           |
| Jeffrey Moore   | \$3,270                            | \$29,988                            |
| Paul Hardie     | \$3,300                            | \$14,614                            |

- (f) if Shareholders approve the issue of Options to the related parties referred to above and all of those Options are subsequently exercised, a total of 9,000,000 Shares would be allotted and issued. This will increase the total number of Shares on issue from 406,223,576 to 415,223,576 (assuming that no other Shares are issued and no contributing shares are paid up) with the effect that the shareholdings of existing Shareholders will be diluted by approximately 2.17%.

The market price for Shares during the life of the Options would normally determine whether or not the Options are exercised. If, at any time, any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of those Options, there may be a perceived cost to the Company. Information on the trading history of the Shares on ASX over the past 12 months is set out in Section 3.4 of this Explanatory Statement.

If Mr Swick, Mr Moore and Mr Hardie exercised all Options the subject of Resolutions 3, 4 and 5 and no other Shares were issued by the Company, they would hold 8.85%, 1.08% and 0.72% respectively of the issued capital of the Company;

- (g) the Board acknowledges the grant of the Options is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options to the Directors is reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves, which the Company considers prudent to enable it to consider the acquisition of new projects, continued growth of its drilling business and other business opportunities in an effort to maximise value for Shareholders;
- (h) Mr Randal Swick declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the resolution. The other Directors who do not have a material personal interest in the outcome of Resolution 3 recommend that Shareholders vote in favour of the resolution. Save as set out in this Explanatory Statement, the Board (other than Mr Randal Swick) is not aware of any information that would reasonably be required by Shareholders in order to decide whether or not it is in the best interests of the Company to pass Resolution 3;
- (i) Mr Jeffrey Moore declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the resolution. The other Directors who do not have a material personal interest in the outcome of Resolution 4 recommend that Shareholders vote in favour of the resolution. The Board (other than Mr Jeffrey Moore) is not aware of any other information that would reasonably be required by Shareholders in order to decide whether or not it is in the best interests of the Company to pass Resolution 4; and
- (j) Mr Paul Hardie declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the resolution. The other Directors who do not have a material personal interest in the outcome of Resolution 5 recommend that Shareholders vote in favour of the resolution. The Board (other than Mr Paul Hardie) is not aware of any other information that would reasonably be required by Shareholders in order to decide whether or not it is in the best interests of the Company to pass Resolution 5.

### **3.3 Listing Rule 10.11**

Resolutions 3, 4 and 5 are required to be approved by Shareholders in accordance with Listing Rule 10.11.

Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the persons to whom Options will be issued are:
  - (i) Mr Randal Swick, who is the Managing Director of the Company and Chairman of the Board;
  - (ii) Mr Jeffrey Moore, who is a non-executive director of the Company; and
  - (iii) Mr Paul Hardie, who is a non-executive director of the Company;
- (b) the maximum number of securities to be issued by the Company is 9,000,000 Options in the following proportions:
  - (i) Mr Randal Swick 3,000,000 Options;
  - (ii) Mr Jeffrey Moore 3,000,000 Options; and
  - (iii) Mr Paul Hardie 3,000,000 Options;
- (c) the Options will be issued within one month after the date of the General Meeting;
- (d) the Options will be issued for nil consideration. Accordingly, no funds will be raised from the issue of the Options; and
- (e) the full terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.

Shareholder approval pursuant to Listing Rule 7.1 is not required in respect of the issue of Options to the Directors as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of these Options will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

### **3.4 Trading Price of Shares**

In the last 12 months before the date of this Notice of Meeting, the highest, lowest and latest trading price of Shares on ASX were:

- (a) Highest \$0.12 on 29 and 30 September 2009;
- (b) Lowest \$0.015 on 8 and 10 March 2010; and
- (c) Latest \$0.025 on 19 July 2010.

### **3.5 Black-Scholes Valuation**

It is a requirement that a dollar value be placed on the Options which are proposed to be issued. ASIC has indicated that the Black-Scholes option price calculation method is acceptable. This method is designed to value listed options that are freely tradeable. Values for the Options the subject of Resolutions 3, 4 and 5 have been estimated using the Black-Scholes method.

In determining these values, the following assumptions have been made:

- (a) The current market price per Share is \$0.025 (the price as at 19 July 2010, being the closest available price to the valuation date).
- (b) The exercise price of the Options is \$0.035.
- (c) The Options will mature 3 years from their date of issue.
- (d) The price volatility of the Shares is approximately 130%.
- (e) The average current risk-free interest rate is 4.5%.
- (f) A dividend is unlikely to be paid by the Company during the life of the Options.

On the basis of an exercise price of \$0.035, the "implied value" in respect of the Options being received by the Directors is as follows:

| Exercise Price | Implied Value       |
|----------------|---------------------|
| \$0.035        | \$0.0178 per Option |

The total value of the 9,000,000 Options proposed to be issued to the Directors is therefore calculated as being \$160,200.

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#### **4. ENQUIRIES**

Shareholders may contact Mr Chris Bossong (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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**\$** means Australian dollars.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of directors of the Company as constituted from time to time.

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

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

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

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

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

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

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

**Option** means an option to acquire a Share issued, or to be issued, by the Company on the terms and conditions set out in Annexure A to this Explanatory Statement.

**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 a holder of a Share.

**VWAP** means volume weighted average share price.

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

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## ANNEXURE A – TERMS OF OPTIONS

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The terms of the Options are as follows:

- (a) Each Option carries the right to subscribe for one Share.
- (b) The exercise price of each Option is the higher of \$0.035 cents and a premium of thirty-five percent to the VWAP of the Shares on ASX on the ten trading days prior to, and including the date Shareholders approve the grant of Options.
- (c) Options will lapse 3 years after the date of issue and any Option not exercised on or before that date will expire and cease to carry any rights or benefits.
- (d) If a holder ceases to be a director of the Company for any reason (other than death or disability), the holder must exercise the Options within one month from the date the holder ceases to be a director of the Company otherwise the Options will expire and cease to carry any rights or benefits.
- (e) Options may be exercised by a holder delivering to the Company's registered office a notice (in a form prescribed by the Company from time to time) stating the number of Options to be exercised (**Notice**) together with the relevant Option certificate(s) and a cheque made payable to the Company for an amount equal to the exercise price for each Option being exercised.
- (f) Within 5 business days of receipt of a properly executed Notice and all application monies in respect of the Options being exercised, the Company shall issue the relevant Shares and deliver notification of shareholdings to the holder.
- (g) The Company shall, within 7 days of the date of issue, make application to ASX for quotation of Shares issued pursuant to an exercise of Options.
- (h) Shares issued pursuant to an exercise of Options shall rank equally with all existing Shares on issue in every respect.
- (i) Options shall not be transferred or assigned by the holder except with the prior written consent of the Company.
- (j) Options shall not be quoted on ASX.
- (k) Subject to any right the holder may have as a holder of Shares, the holder may only participate in new issues of securities to holders of Shares if Options have been exercised and the relevant Shares issued prior to the record date for determining entitlements to the issue. The Company shall give notice to the holder (as required under the Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- (l) If there is a bonus issue to holders of Shares (**Bonus Issue**), the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder would have received if the Option had been exercised prior to the record date for determining entitlements to the Bonus Issue (**Bonus Shares**). The Bonus Shares shall be paid up out of the profits or reserves of the Company in the same manner as is applied in the Bonus Issue and shall, from the date of issue, rank pari passu with all other Shares on issue.

- (m) If there is a pro rata issue (other than a Bonus Issue) to holders of Shares during the currency of, and prior to the exercise of, any Options, the exercise price of the Options shall be adjusted in the manner provided by the Listing Rules.
- (n) If, prior to the expiration of any Options, there is a reorganisation of the issued capital of the Company (including, but not limited to, a consolidation, subdivision, cancellation, reduction or return of capital), the rights of the holder shall be changed to the extent necessary to comply with the Listing Rules.

## PROXY FORM

### APPOINTMENT OF PROXY

COUGAR METALS NL (ABN 27 100 684 053)

I/We

being a Shareholder of Cougar Metals NL entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the General Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 45 Ventnor Avenue, West Perth on Wednesday, 8 September 2010 at 10:00am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

### Voting on Business of the General Meeting

|              |                                           | FOR                      | AGAINST                  | ABSTAIN                  |
|--------------|-------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Ratification of Prior Placement of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Paul Hardie                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Issue of Options to Randal Swick          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of Options to Jeffrey Moore         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Options to Paul Hardie           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you do **not** wish to direct your proxy how to vote, please place a mark in this box ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

\_\_\_\_\_ %

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

**By:**

#### Individuals and joint holders

|           |
|-----------|
| Signature |
| Signature |
| Signature |

#### Companies (affix common seal if appropriate)

|                                          |
|------------------------------------------|
| Director                                 |
| Director/Company Secretary               |
| Sole Director and Sole Company Secretary |



**COUGAR METALS NL**  
**ABN 27 100 684 053**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than 2 proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints 2 proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the Company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the General Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the General Meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.