



ASX Announcement – 1 February 2010

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RIGHTS ISSUE – SHORTFALL NOTIFICATION

Cougar Metals NL (the “**Company**”) advises that it has completed its renounceable three (3) for two (2) rights issue (“**Rights Issue**”) and raised \$4.9 million (before costs). In accordance with the ASX Listing Rules, the Company confirms the following details:

Number of shares currently on issue	172,890,242
Number of shares available under the Rights Issue	259,335,363
Number of shares taken up by Shareholders	19,221,821
Number of shares making up the Shortfall from Rights Issue	240,113,542
Number of underwritten shares	233,333,334
Number of shortfall shares to be placed by the Underwriter	214,111,513
Total number of shares to be on issue	406,223,576

Patersons Securities Limited (“**Underwriter**”) is proceeding to place the shortfall of underwritten shares in accordance with the Underwriting Agreement, and it is expected that the Rights Issue shares and underwritten shortfall shares will be allotted, with holding statements dispatched, on Thursday, 4 February 2010.

In accordance with ASX Listing Rules, the directors reserve the right to place all or some of the remaining shortfall shares within three months from the closing date of the Rights Issue.

Yours faithfully,

RANDAL SWICK

Executive Chairman

About Cougar Metals NL:

Cougar Metals NL is a Perth based exploration company listed on the Australian Stock Exchange (ASX:CGM). The Company is focused on exploring the Alta Floresta Project in central west Brazil, where past production is estimated at five million ounces of gold. Cougar also operates a mineral drilling business in Brazil, providing surface diamond, reverse circulation and RAB drilling services to the Brazilian mining industry.

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