

COUGAR
METALS NL

*“Entering Aggressive Exploration
Phase at Ze Vermelho Prospect in
Brazil”*

28 March 2012



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The information in this presentation that relates to exploration results is based on information compiled by Dr Christopher Stephens, who is a consultant to the Company. Dr Stephens is Principal of CJ Stephens Consulting Pty Ltd and is a member of the Australian Institute of Geoscientists (AIG) and the Australia Institute of Mining and Metallurgy (AusIMM). Dr Stephens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Stephens consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Information included in the presentation is dated 22 March 2012.

Company Snapshot

Capital Structure

Shares (ASX:CGM)	406,223,576
Options	24,000,000
Contributing Shares*	3,425,725

52 week range	\$.02 - \$.11
Last Price (27/3/12)	\$.09

Market Capitalisation **\$36.5m**

* Issue Price 12.5c, 0.1c paid

Board of Directors

Name	Position
Randal Swick	Managing Director/Chairman
Jeff Moore	Non-Executive Director
Paul Hardie	Non-Executive Director

6 Month Share Price Graph



Substantial Shareholders

Holder	Shares	Holding
Rosanne Swick	138,366,224	34.06%
Marcia Swick	80,250,000	19.76%
<i>Top 20</i>	<i>268,676,300</i>	<i>66.14%</i>

Company Overview

- ASX listed; South American based company.
- Gold producer from high grade u/g mine, mineralisation is open at depth with potential for parallel ore bodies.
- Holder of approx. 1,450km² highly prospective ground (which has 5M+ ounce production history).
- Operator of 12 rig drilling fleet providing CGM with reliable, cost effective drilling services and generating strong revenues and cashflows.
- Cash positive & tightly managed. \$4 M Profit FY 2011, \$2.1M Profit H1 FY12. Revenue \$20M FY 2011, \$12.6 M H1 FY2012.
- Entering aggressive phase of exploration following recent success.

Purpose of Capital Raising

To maximise return to shareholders through increased explorations efforts across the Company's prospective portfolio of tenements.

Capital raising funds will supplement existing cashflows and be applied as follows:

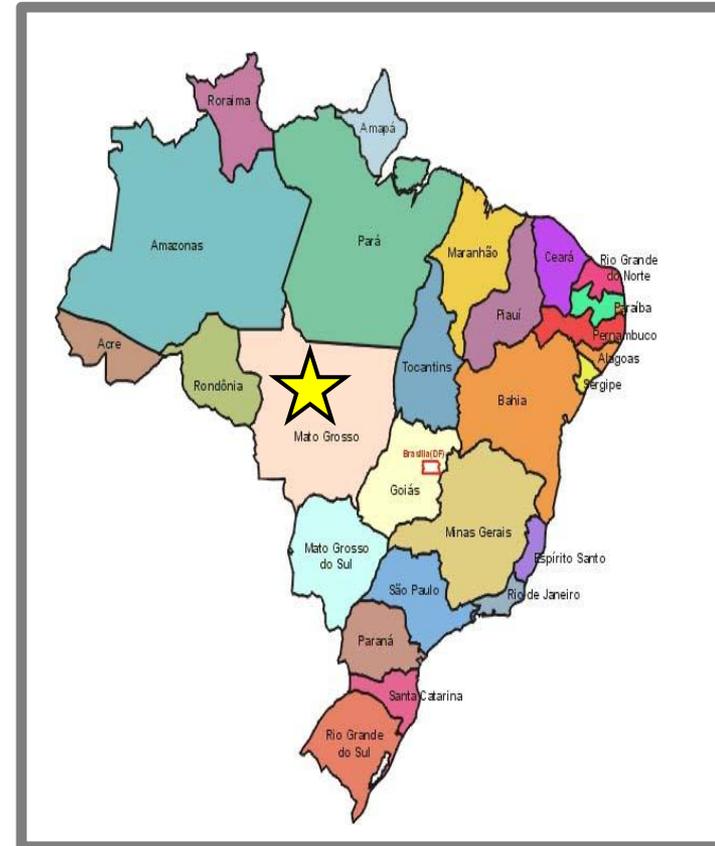
- Increased exploration efforts – more rigs and geologists on the ground.
- Acquisition of equipment for additional trial mining projects
- Investment in plant/infrastructure to increase gold production capacity and efficiency
- To supplement working capital

Use of Funds

- Increase to 4 rigs exploring CGM properties. Currently using 2 diamond rigs with 1 diamond and 1 RC rig to be added to exploration efforts.
- Drill testing of several structures identified through IP at Ze Vermelho and surrounding areas
- RC drill program at Apiacas following entry of rigs into Brazil
- Potential trial mining at Pedra Branca and other structures
- Additional geophysics across the portfolio
- Strengthening of geological team

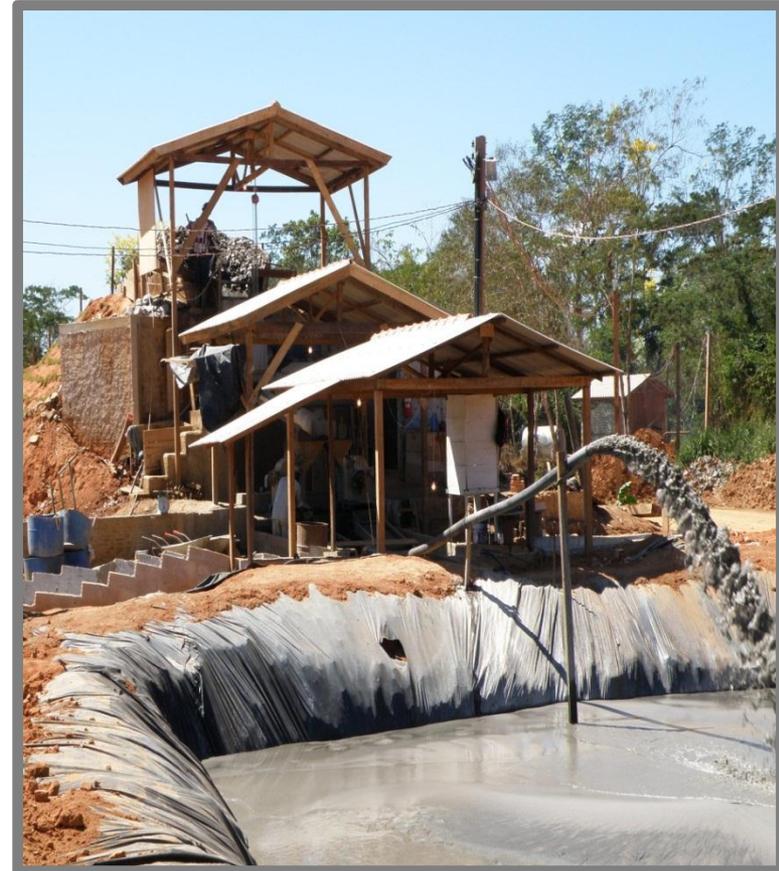
Alta Floresta Belt

- Alta Floresta
 - Historic production (1980 - 2000) of 5M+ oz
 - Disjointed tenement holding until recently (Cougar).
 - Minimal modern exploration.
- Successes to date:
 - >1m ounce gold hardrock discovery by Rio Novo Gold Inc at Guarantau (Peixoto).
 - Paraibia Mine (privately owned): reportedly produced 12t of gold between 1996 and 2006. Mining is ongoing and mineralisation remains open at depth 200m+.
 - Cajueiro – 200,000 oz.
 - Ze Vermelho (Cougar; resource pending).

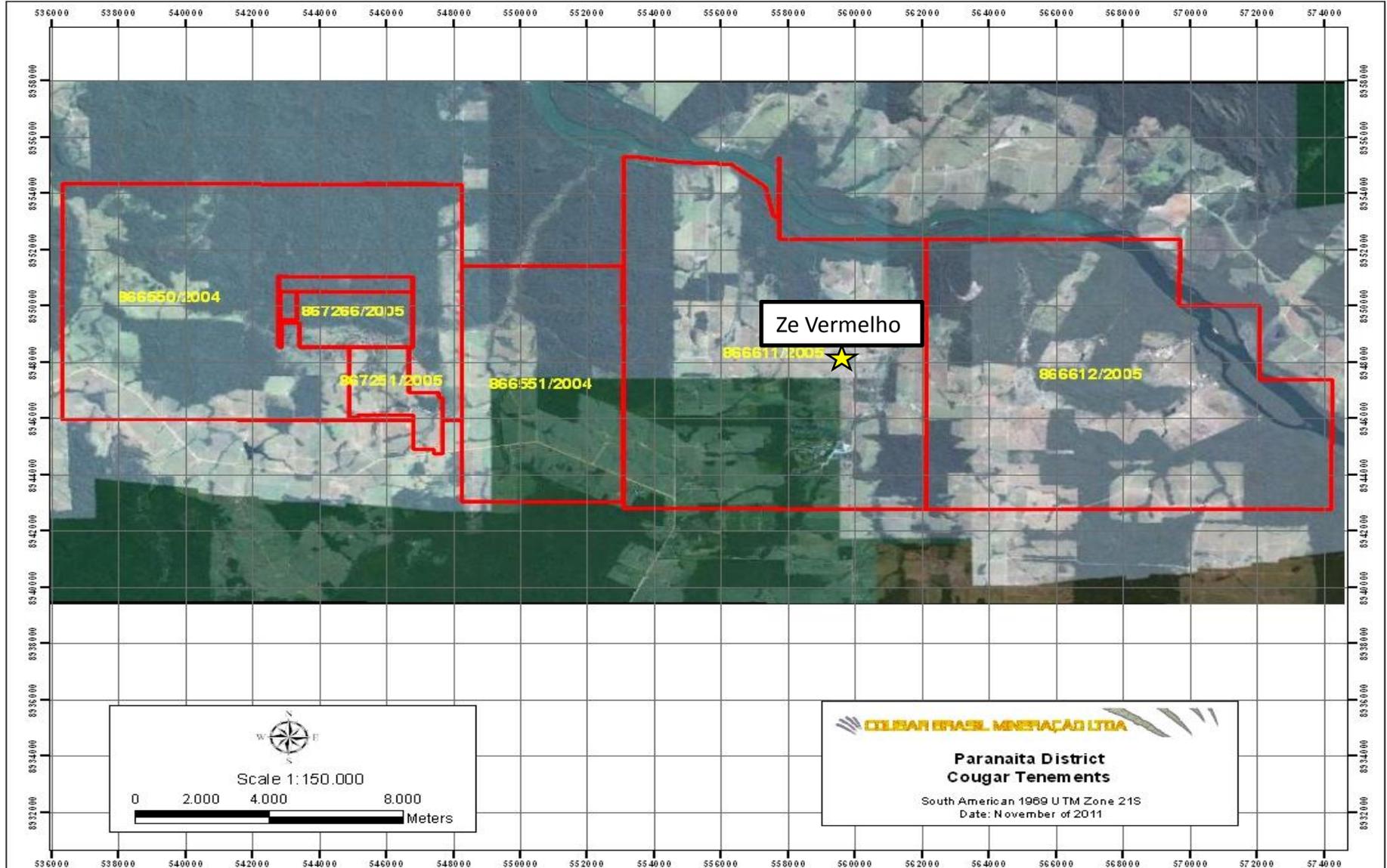


Ze Vermelho Gold Mine

- 100 Ha Exploration Lease in Paranaita District. CGM Holds all surrounding areas.
- Mined in 90's. 70,000 Oz from open pit.
- Deepest of 4 shafts re-opened in 2010.
- Gold associated with disseminated and massive pyrite.
- Drives developed at -54,-64,-74,-84,-90 and currently -104 level.
- High Grade Mineralisation open up and down dip.
- Revenue for H1 FY2012 \$3.3M, Profit \$1.7M



Paranaita



Ze Vermelho – Production

- Currently producing ~42kgs (~1,300 oz) of gold per quarter through gravity processing only. Approx. 40% recovery.
- Cyanide circuit commissioned in November 2011 to treat gravity tails.
- 1st Cyanide circuit recovered 96% of contained gold in tailings.
- Currently 3,500+ tonnes of tailings @ 1oz/tonne estimated.



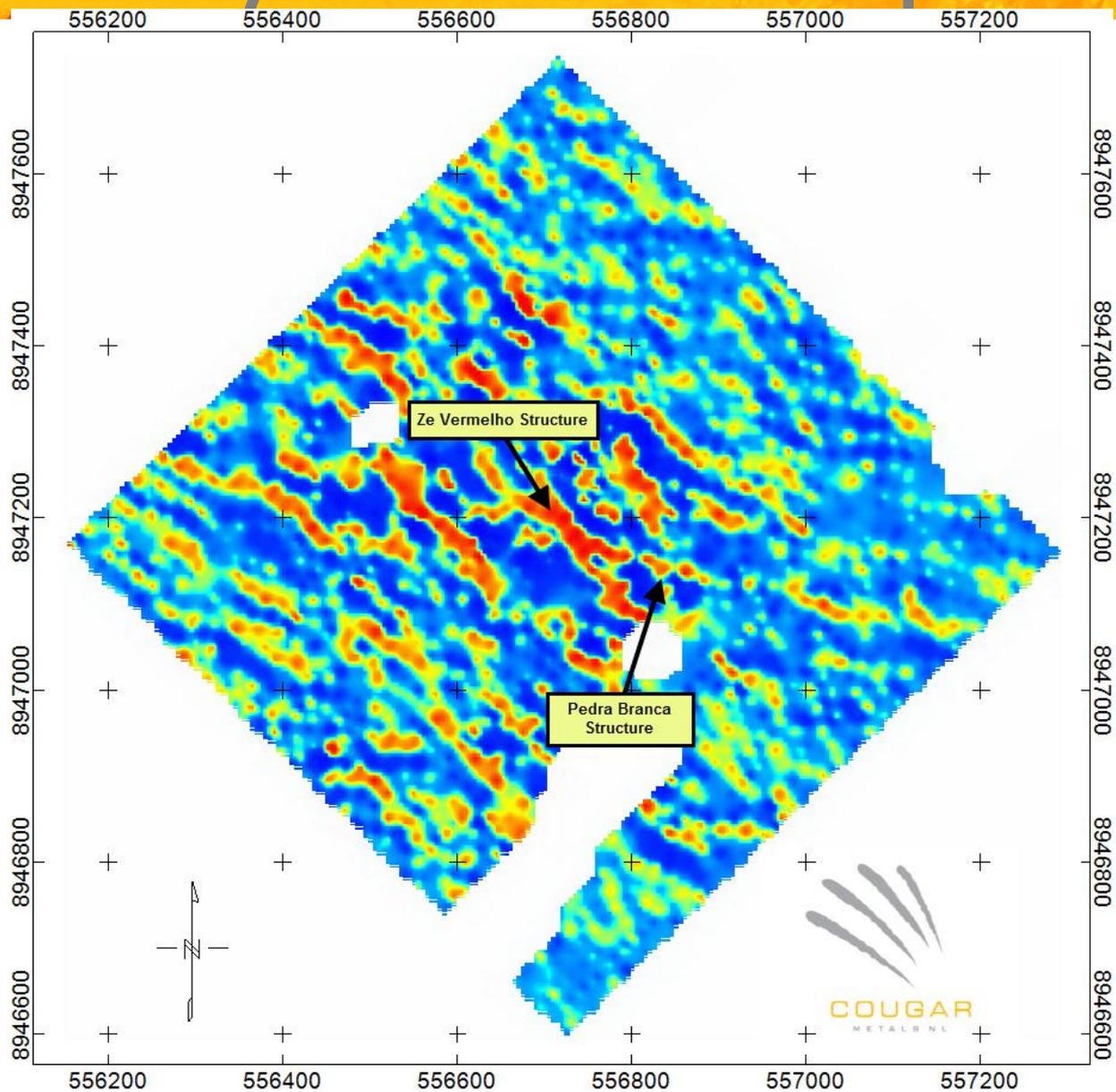
Ze Vermelho – Cyanide Circuit



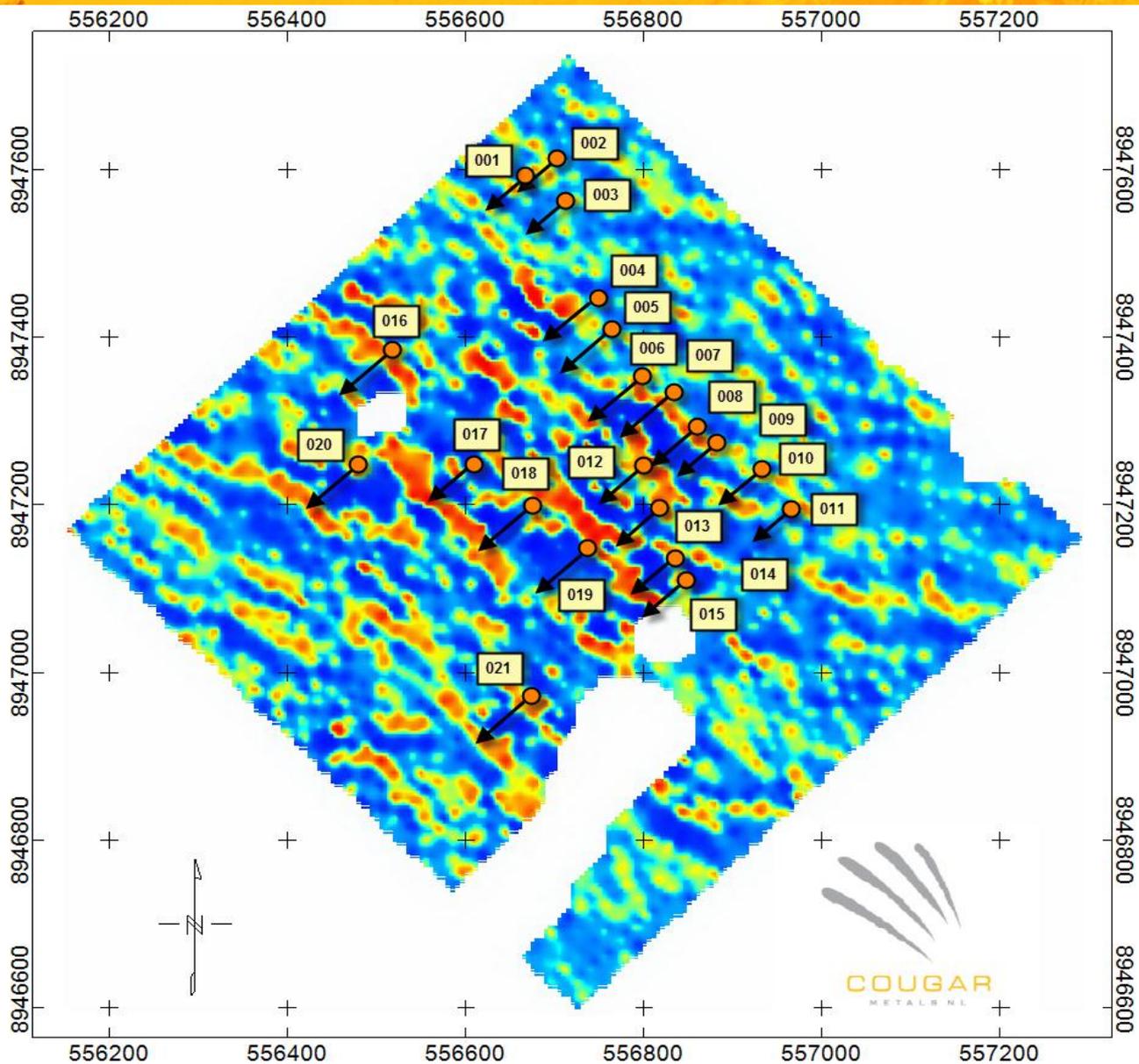
Ze Vermelho – Geophysics

- Geophysical surveys completed at ZV over an area of 800m x 800m.
- Surveys comprise IP (induced polarisation) and TDEM (time-domain-electro-magnetic) aimed to identify disseminated and massive sulphides.
- ZV high grade gold is pyrite associated . Bonanza grades in Massive sulphides.
- Geophysics results have identified numerous structures for testing.
- Drilling to commence on testing of the structures.

IP Survey – Clear Responses



Initial Drill Targets



Pedra Branca Discovery

- Lies along strike to ZV; at SE end of existing ZV pit.
- 6 holes drilled to date, all have intersected structure.
- Hole 1 returned 4.23m @288.4 g/t gold including 1m @1,185.4 g/t gold.
- Hole 2 returned 1.12m @204.1 g/t gold.
- Open to SE and at depth.
- Potential for another high grade ore shoot.
- Further drill testing to better define mineralised body.
- Structure identified in IP survey as being over 450m in length.

Pedra Branca - Core Sample



2012 Exploration Program

- Cougar to increase drill fleet from 2 to 4 in order to aggressively explore its tenement holdings during 2012.
- Major focus on Ze Vermelho:
 - Testing of several structures identified from IP and TDEM Survey.
 - Better understand the mineralisation and size of Pedra Branca.
 - To test ZV high grade ore shoot at depth; currently operating at depth of 104m.
 - Test for parallel structures to ZV vein.
- Further geophysical surveys over selected targets.
- Many additional targets at or near drill ready.
- 10,000m RC drill program planned at Apiacas in search for large disseminated bodies, following up broad mineralisation previously intercepted.

Drilling Business

- 12 Rig Fleet – 8 owned, 1 under finance lease, 3 rented.
- Cost effective and quality service provided to CGM with surplus capacity used to generate income.
- Strong earning potential – FY 2011 \$18.9M revenue (\$4M profit)
- Large, poorly serviced market.
- Now recognised as a quality provider.
- Clients include Beadell, Avanco, Serabi, Mundo plus numerous local companies.



In Summary

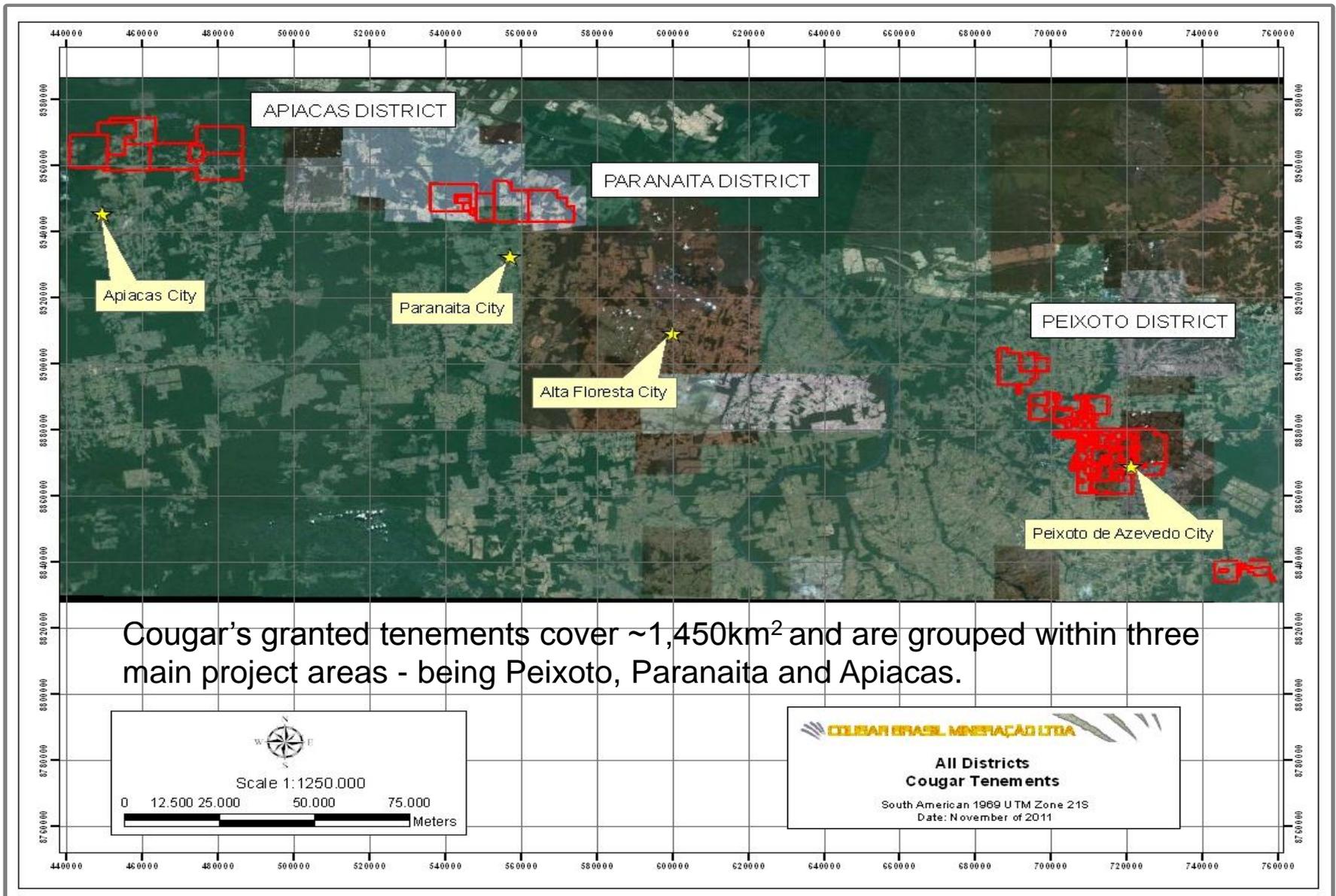
Cougar is better placed than at any time in its short history due to:

- Producing strong cash-flows at Ze Vermelho with the potential to increase significantly with the planned expansion of cyanide circuit.
- Several drill targets identified from initial IP survey with further targets expected from soon to be received TDEM results.
- Encouraging drilling results from Cidinha Gold Prospect.
- Numerous other high class targets within granted tenement areas to focus exploration efforts.
- Well-performing drilling business generating strong cashflows and providing ability to undertake exploration programs cost effectively and on own timetable.
- Ability to self fund aggressive exploration programs.

APPENDIX 1

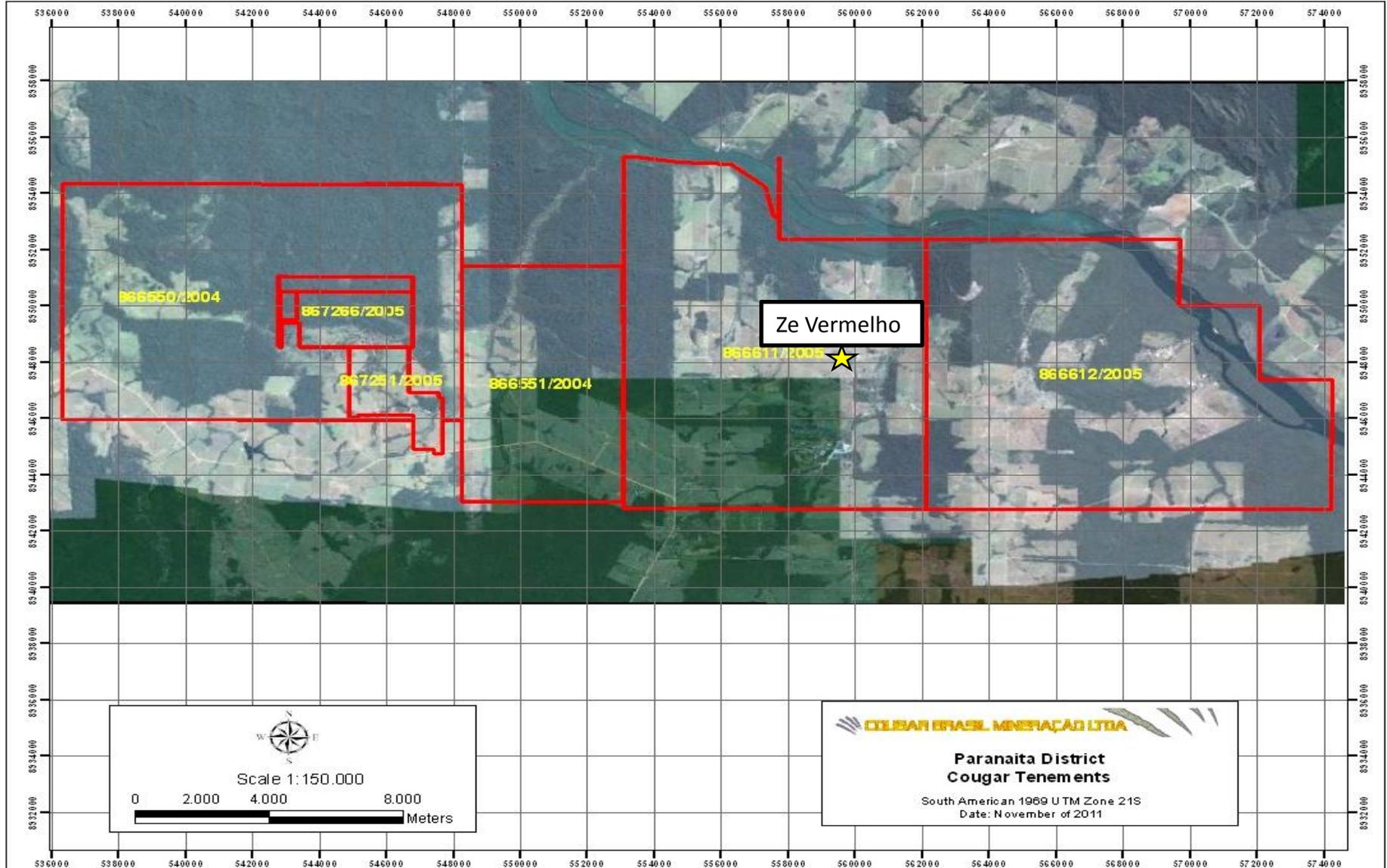
TENEMENT MAPS OF COUGAR'S GRANTED TENEMENTS IN ALTA FLORESTA PROJECT

Alta Floresta Tenement Map



Cougar's granted tenements cover ~1,450km² and are grouped within three main project areas - being Peixoto, Paranaíta and Apiacas.

Paranaita



Apiacas

