



ASX ANNOUNCEMENT – 22 July 2009

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Fatal Safety Incident - Brazil

It is with regret the Company informs the market of a fatal accident involving a Brazilian driller working for GeoLogica Sondagens, Cougar's wholly owned subsidiary drilling contract Company.

The accident occurred at approximately 11 am, on Tuesday 21st July in the Brazilian state of Rio Grande do Sul, when the tower of the drilling rig was raised into, or near to, electrical power lines allowing electricity to pass through the rig to the driller.

The Company is currently working independently and with the relevant authorities to investigate the incident.

The Company and its employee's are terribly saddened by this news and management is doing whatever possible to assist the driller's family and co-workers with this tragedy.

For further information please contact the writer preferably by email using r.swick@cgm.com.au

Yours faithfully,

RANDAL SWICK
Executive Chairman

Background - About Cougar Metals NL:

Cougar Metals is a Perth based exploration Company listed on the Australian Stock Exchange (ASX Code: CGM). The Company is focused on the development of three primary “projects” - the Alta Floresta Gold Project in Brazil, the Pyke Hill Nickel Project in Western Australia and GeoLogica Sondagens, a mineral drilling business operating in Brazil.

Alta Floresta: The Alta Floresta Project is located in the north of Mato Grosso State in central west Brazil, covering an area of approximately 3,000km² within a 330km long portion of the Alta Floresta gold belt. Past production within this belt is estimated at five million ounces of gold. Cougar is undertaking a range of exploration activities at the project, including soil sampling and drilling, to identify both high-grade quartz vein gold systems and bulk tonnage, disseminated gold systems.

Pyke Hill: The Pyke Hill Project is located 40km southeast of the Murrin Murrin Nickel Operation in Western Australia. The project hosts a JORC compliant Measured & Indicated Resource of 14.7 million tonnes grading 0.9% Ni and 0.06% Co for 131,621 tonnes of contained nickel metal (0.5% Ni cut-off).

GeoLogica Sondagens: Cougar provides both surface diamond and reverse circulation drilling to the Brazilian mining industry through its wholly owned Brazilian subsidiary, GeoLogica Sondagens. Brazil offers further significant opportunities for the growth of the drilling business.