

Ceara Lithium Project Update

Cougar Metals NL (“Cougar” or “Company”) (ASX: CGM) is pleased to provide an update on exploration activities with the Ceara Lithium Project, Brazil (CGM 85%).

Two areas of focus exist within the project – namely Solonopole and Cristais with initial exploration efforts focusing on the Solonopole Area located in the central part of Ceará State, 276km by sealed road South of the city of Fortaleza, Brazil.

The city of Solonopole has a population of 18,000 and is principally an agricultural focused support centre for surrounding cattle farms. However, 30-40 years ago the region was known for intense artisanal mining activity where small mines were operated for the extraction of tantalite-columbite, spodumene, ambligonite, beryl, crystal, albite and tourmaline.

Government mapping and sampling undertaken by Brazil Government Mining Department (DNPM) in 2012 identified more than 200 pegmatites over a 40 km by 10 km region which host the historical mines and has been the focus of Cougar’s recent exploration work.



Figure 1: Location Map showing Solonopole and Cristais project areas

Solonopole Project :

The Solonopole project comprises of 26 granted exploration permits with an additional four permits granted in recent days. These permits cover an area of 42,630 Ha or 426 square kilometres.

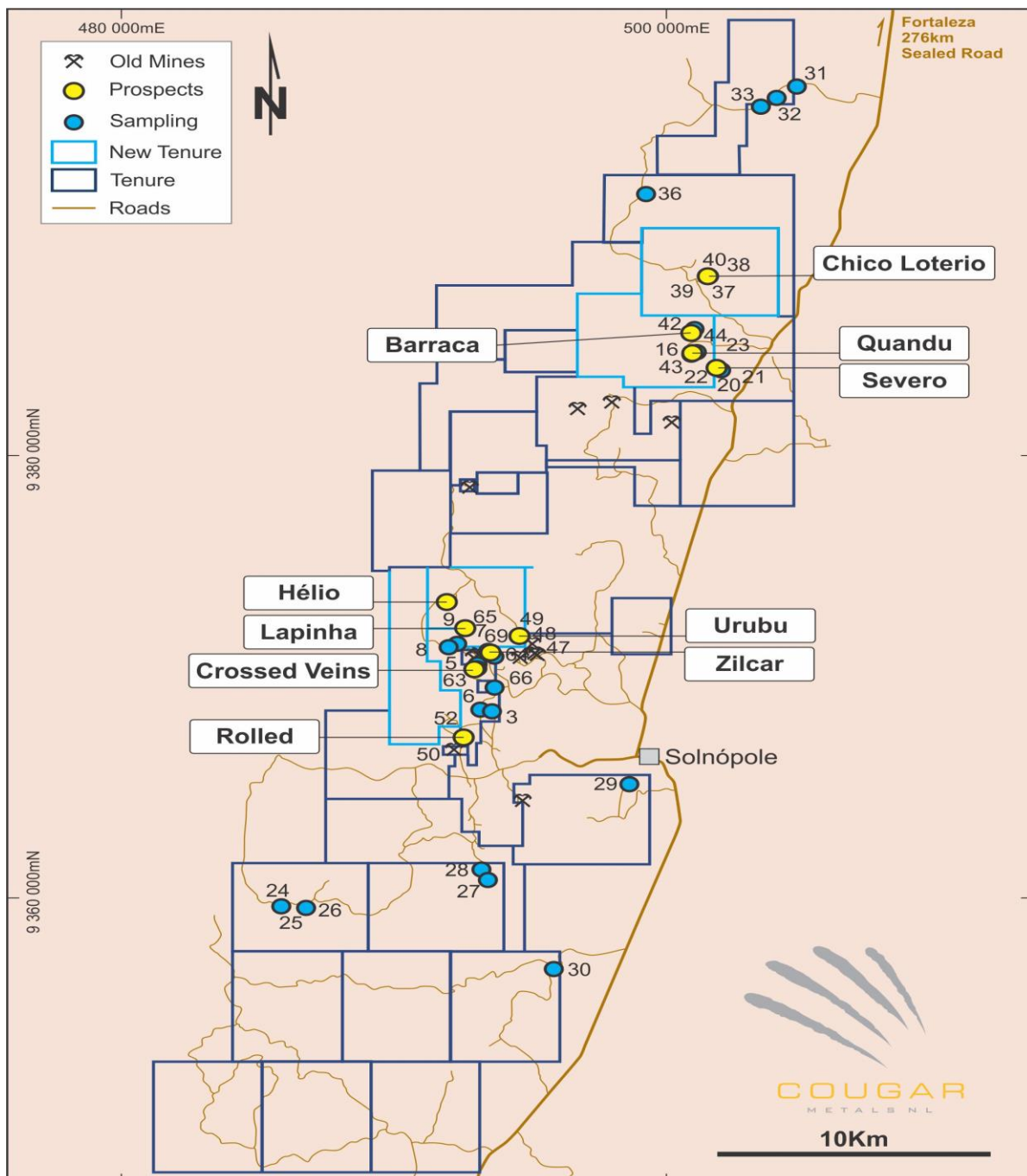


Figure 2: Tenement map showing areas of initial focus with 10 priority areas

Cougar's exploration geologist has been based in Solonopole since mid May 2017 conducting mapping, sampling and general reconnaissance activities to systematically assess the large tenement package. The Geologist has utilised local knowledge to assist with the exploration and identification of historical mines.

The mapping and reconnaissance activity consists of planning the routes, requesting authorisations from landowners and traversing historic roads and trails in search of occurrences of mineralised pegmatites and abandoned mines. GPS recordings are undertaken of the routes, positions of structural features, photos and sample collection points.

10 prospects have been identified with mineralised pegmatites to date and are the current priority for exploration efforts. Soil sampling programs consisting of a 50x50m grid has been undertaken across the 10 priority prospects to assist in defining the strike extents. A description of the 10 Prospects is provided in Figure 3 below:

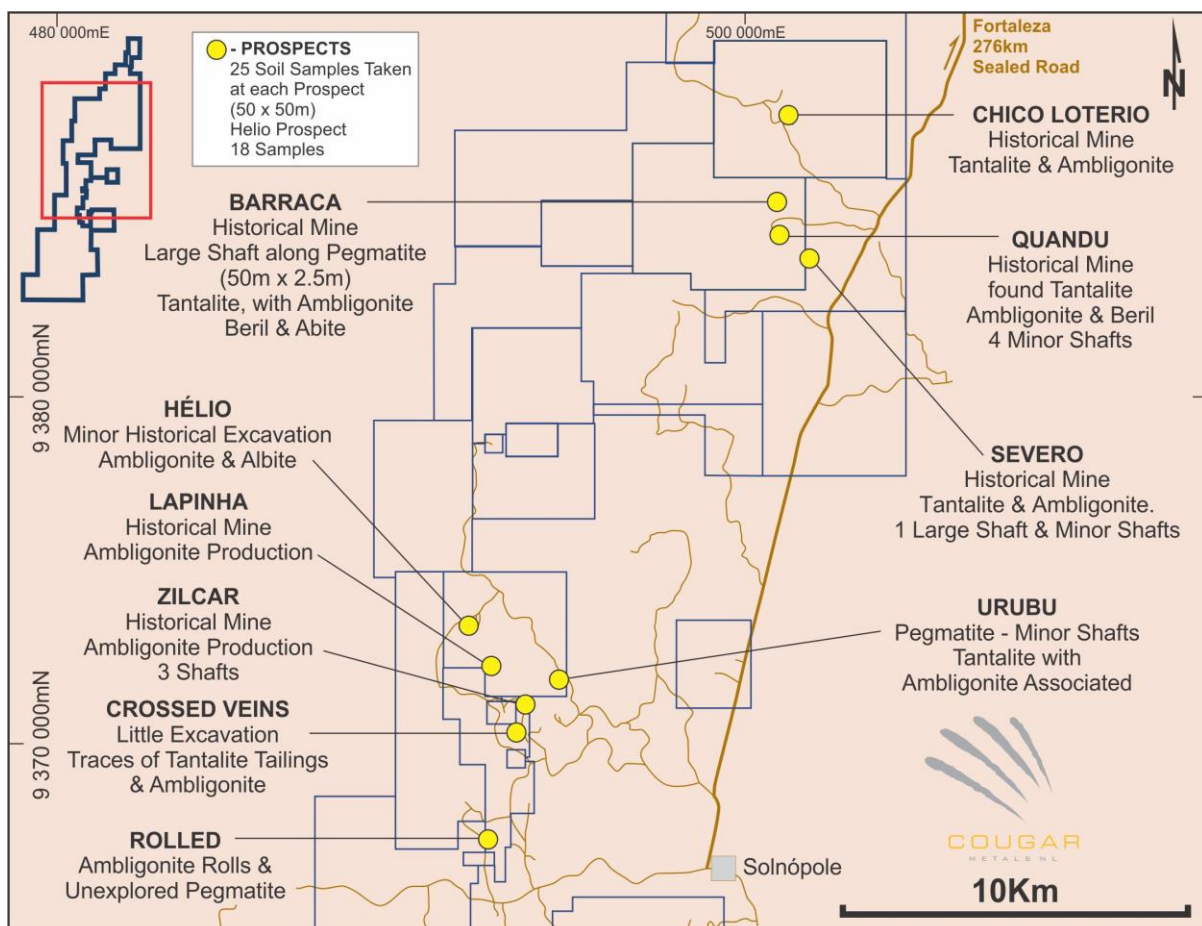


Figure 3: Details of Top 10 priority areas within Solonopole Project area.



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The Solonopole project was initially subject to a remote sensing and airborne geophysical targeting exercise undertaken by Southern Geoscience in Perth. This exercise identified 4 key targets within the current permits. These targets have been followed up with on ground evaluation by Cougar's geologist, which has so far identified the 10 priority prospects. These priority areas are all associated with historical mining, with both open pit and underground working identified.

Lithium minerals identified in the 10 prospects include Amblygonite, Spodumene and Lepidolite, and typically have associated minor columbite and tantalite mineralisation.

A total of 61 grab samples have been collected to date, and an additional 242 soil samples taken over the 10 priority prospects. All samples have been submitted for analysis with SGS laboratories in Belo Horizonte, Brazil with results expected within the next 2 weeks.

Cougar is continuing ongoing geological reconnaissance and sampling. Following the return of results, Cougar will advance the priority prospects to define mineralised trends to enable the generation of drill targets.

Solonopole represents one of only 2 known lithium producing areas in all of Brazil. Cougar, as first movers, have established a dominant holding within this region.

Cougar intends to remain in suspension pending the release of assay results pertaining to its Toamasina Graphite Project.

For further information please contact the undersigned via email at r.swick@cgm.com.au

RANDAL SWICK

Executive Chairman

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Cougar Metals NL, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.



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Competent Persons Statement

Information in this report relates to exploration results that are based on information compiled by Mr Beau Nicholls (Member of the Australasian Institute of Geoscientists). Mr Nicholls is a fulltime employee of Sahara Mining Services and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nicholls consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.

JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Grab Samples were taken from outcrop by geological hammer with 2 to 3kg collected from each sample position. Geology and hand-held GPS points are recorded along with site photos Soil samples were taken by removing transported soils and vegetation and taking between 2 to 3 kg of samples . Placed in a plastic bag for dispatch to SGS laboratories. Hand held GPS coordinates were recorded as per Grab Sample procedure SGS sample preparation and analytical technique will be provided once samples are analysed
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Not applicable
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Not applicable.

	<ul style="list-style-type: none"> • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Grab samples and Soils were logged with simple lithological and regolith and landform descriptions, and recorded positions using hand held GPS units
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • No QAQC samples have been included as sampling is initial sei quantitative to identify prospective areas • Samples taken are between 2-3 kg and were sealed and labelled in plastic bags and dispatched to SGS laboratory in Belo Horizonte
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, 	<ul style="list-style-type: none"> • not applicable

	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • All sampling supervised by a qualified geologist
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Use of hand-held Garmin GPS units. Accuracy of +/-8m on average.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Soil grids taken on 25m x 25m grid • Grab samples taken when interesting mineralised targets identified
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Regular soil grid undertaken as controls not well understood at this stage
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were kept in sealed bags and sent to SGS laboratory by commercial courier.

Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> N/A.
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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> All permits have been 100% granted less than 1 year ago. All licensing and permitting is current to allow development of the project.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> DNPM reconnaissance has been undertaken and reported in prior press release
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Pegmatite hosted lithium mineralisation typical setting
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> N/A

Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • N/A
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • N/A
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Plan views only provided at current stage of exploration
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • The information contained within the announcement contains the relevant sampling and analytical data over the project.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; 	<ul style="list-style-type: none"> • None to report.

	<p><i>geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
<i>Further work</i>	<ul style="list-style-type: none"> <i>• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> <i>• Too early stage to discuss extensions to mineralisation. Require results and additional exploration work</i>