



30 April 2020

March 2020 Quarterly Activities Report

Cougar Metals NL (“Cougar” or “the Company”) is pleased to provide its activities report for the quarter ended 31 December 2019.

ASX Listing of Cougar Metals NL:

Cougar Metal NL remains suspended from the ASX following a decision not to finalise and lodge the FY2019 accounts.

The management of Cougar continue to explore avenues to raise capital and relist on the ASX.

To this end, all expenses of the company have been minimised and various options to liquidate assets as a means to raise capital are being pursued.

The directors appreciate the angst felt by shareholders and are working diligently to achieve a favourable outcome for all shareholders of Cougar.

Pyke Hill Nickel/Cobalt Project Western Australia (CGM 100% Ni & Co Rights)

Dispute with Richore Pty Ltd.

In 2004 Cougar Metal’s entered into an option agreement to acquire the Nickel and Cobalt Laterite rights of M39/159 (Pyke Hill) with the 100% legal owner, Greater Australian Gold (GAG). At that time Richfile Pty Ltd (Richfile), a company in liquidation since 1998) was entitled to a 50% equitable interest in the tenement. Richfile’s liquidator was aware of, acquiesced and did not object to the option agreement and was not a signatory to the option agreement as Richfile held no legal ownership.

In September 2005 Richore Pty Ltd (**Richore**) purchased Richfile’s 50% beneficial interest in tenement M39/159 (Pyke Hill) from the liquidators of Richfile Pty Ltd (**Richfile**), specifically subject to the option agreement.

In October 2018 Richore brought a plaint before the Western Australian Mining Warden seeking the partial removal of a caveat, held by Cougar, over the entire Mining Tenement M39/159, in respect to Richore’s 50% interest in the tenement.

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A warden's court hearing was held on 23 July 2019, where the validity of Cougar's option was argued. Cougar is still awaiting the decision from the warden in this matter and remains confident of a ruling in its favour.

Ceara Lithium Project, Brazil (CGM 25%)

The Ceara Lithium project comprises 19 tenements covering 28,666 Ha, located in north-eastern Brazil, near the town of Solonopole, and contains 10 historically producing lithium workings.

As announced by the Company on February 6, 2019, Cougar and the vendor amended the earn in terms on the Ceara Lithium Project in Brazil (the Project) initially announced to the ASX on 3 August 2016. The restructure of the joint venture is part of the Company's ongoing strategy to reduce its exposure to Brazil and return focus to more stable mineral exploration jurisdictions such as Australia.

In October 2019, the Company reduced its interest in the project to a 25% contributing interest. No significant work was done in this quarter.

Cougar has advised the vendor that it will not contribute to the project at this stage.

Vohitsara Graphite Project, Madagascar - DNI Metals Inc Settlement

Pursuant to an arbitration ruling of 7 December 2019 DNI Metals Inc is liable for payment of the full outstanding amount of CAD 2.25M pursuant to an agreement dated 24 September, 2018.

DNI Metals Inc. continues to attempt to delay any payments to Cougar by any means possible including alleging default of the Settlement Agreement. Cougar no longer recognises DNI as having any right to issue default notices.

In a March 30, 2020 release to the market, DNI advised of criminal convictions against the former manager of DNI's Malagasy subsidiaries Mr Steven Goertz and the CEO (and acting CFO) Mr Dan Weir in Madagascar.

Mr Goertz remains the Resident Manager of the DNI subsidiaries holding Vohitsara and other Malagasy assets of DNI, the claims against Mr Goertz, if true, would jeopardise the security of these assets putting them at risk of suspension and/or forfeiture, and ultimately Cougar's attempt to enforce its Settlement Agreement. However, Cougar has been unable to verify DNI's claims against Mr Goertz.

The issue of the outstanding PE mining licence over Vohitsara is critical to the recovery of monies owed to Cougar, by DNI, and Cougar has been advised that until Mr Weir's conviction is overturned or Mr Weir is replaced, the issuance of the mining permits is unlikely to take

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place. As such, Cougar continues to monitor DNI's progress in resolving these issues and will instigate enforcement proceedings at an opportune time.

The Lind Partners LLC - Funding Agreement

The Lind debt of \$810,000 plus interest remains payable to the Australian Special Opportunities Fund (ASOF). Cougar appreciates the patience of the ASOF as the company's issues are negotiated.

Kenora Prospectors and Miners Arbitration Award

As previously reported a damages award of CAD\$1.75M was awarded to Cougar against Kenora Prospectors and Miners Limited (KPM) for various breaches of contract with respect to the Shoal Lake East Gold Project. Cougar was successful on all claims against KPM and KPM was unsuccessful on all claims against Cougar.

In January, 2019 a final award including damages, costs and interest was handed down totalling CAD\$2.52M.

As KPM does not have sufficient cash to meet any payment of the award, Cougar is currently evaluating options to have the award enforced.

The recovery efforts of the award may entail the forced sale of KPM's Shoal Lake East Gold Project in the absence of an alternative arrangement.

Drilling Business

The Company continues to market the remaining drilling equipment in Brazil and divesting its non-core subsidiaries in order to simplify the group's corporate structure and remove unnecessary holding and corporate costs.

Corporate Activities

The company continues to explore pathways to solve the current situation including debt restructuring, asset sales and recapitalising the group.

This announcement has been authorised by Randal Swick, Executive Chairman, for the purposes of Listing Rule 15.5.

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

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Yours sincerely

Randal Swick

COUGAR METALS NL
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

ASX LISTING RULE 5.23

The Company has reported information contained in prior ASX announcements, and has cross referenced these announcements. The Company confirms that it is not aware of any new information or assumptions since those announcements were made that would likely materially change the content of those announcements.

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Summary of Tenements and Changes

In accordance with ASX Listing Rule 5.3, Cougar advises of the following:

Project (Australia)	Tenement Reference	Interest held by Cougar at 31 December 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 March 2020
Pyke Hill Nickel (Australia)*	M39/159	Ni/Co rights - 100%	-	Ni/Co rights - 100%

* Cougar holds 100% of the Nickel and Cobalt Laterite rights in relation to the tenement, with tenement ownership to be transferred to Cougar upon the commencement of mining activities.

Project (International)	Tenement Reference	Interest held by Cougar at 31 December 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 March 2020
Shoal Lake Gold (Canada)	MH9	100%	-	100%
Shoal Lake Gold (Canada)	MH10	100%	-	100%
Shoal Lake Gold (Canada)	MH40	100%	-	100%
Shoal Lake Gold (Canada)	D259	100%	-	100%
Ceara Lithium Project	800246/2016	25%	-	25%
Ceara Lithium Project	800235/2016	25%	-	25%
Ceara Lithium Project	800239/2016	25%	-	25%
Ceara Lithium Project	800240/2016	25%	-	25%
Ceara Lithium Project	800241/2016	25%	-	25%
Ceara Lithium Project	800242/2016	25%	-	25%
Ceara Lithium Project	800244/2016	25%	-	25%
Ceara Lithium Project	800245/2016	25%	-	25%
Ceara Lithium Project	800236/2016	25%	-	25%
Ceara Lithium Project	800237/2016	25%	-	25%
Ceara Lithium Project	800238/2016	25%	-	25%
Ceara Lithium Project	800243/2016	25%	-	25%
Ceara Lithium Project	800247/2016	25%	-	25%
Ceara Lithium Project	800248/2016	25%	-	25%
Ceara Lithium Project	800249/2016	25%	-	25%
Ceara Lithium Project	800250/2016	25%	-	25%

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Project (International)	Tenement Reference	Interest held by Cougar at 31 December 2019	Changes during the quarter (acquisitions /disposals)	Interest held by Cougar at 30 March 2020
Ceara Lithium Project	800251/2016	25%	-	25%
Ceara Lithium Project	800252/2016	25%	-	25%
Ceara Lithium Project	800253/2016	25%	-	25%
Ceara Lithium Project	800254/2016	25%	-	25%
Ceara Lithium Project	800255/2016	25%	-	25%
Ceara Lithium Project	800256/2016	25%	-	25%
Ceara Lithium Project	800257/2016	25%	-	25%
Ceara Lithium Project	800473/2016	25%	-	25%
Ceara Lithium Project	800474/2016	25%	-	25%
Ceara Lithium Project	800476/2016	25%	-	25%
Ceara Lithium Project	800477/2016	25%	-	25%
Ceara Lithium Project	800475/2016	25%	-	25%

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