



ASX Announcement – 30 September 2011

No. of Pages: 2

FY11 RESULTS OVERVIEW

- **Record revenue and profitability from strong operating performance across both contract drilling and gold businesses**
- **Strong cash generation with \$3.2million in net cash generated from operations**
- **\$2.8 million invested in drill fleet and mining equipment to support future growth**
- **Interest bearing debt of only \$424,000; to be repaid first half of FY12**

Cougar Metals NL is pleased to report the audited results for the year ended 30 June 2011 which demonstrate a significant turnaround in the group's revenue, profit and cashflow generation.

The audited consolidated results for the FY11 year are summarised as follows:

Financial Measure	FY11	FY10
Revenue	\$21.8m	\$5.6m
EBITDA	\$5.9m	(\$3.0m)
EBITDA Margin	(27%)	(-54%)
EBIT	\$4.6m	(\$3.7m)
EBIT Margin	(21%)	(-66%)
EBT	\$4.0m	(\$3.9m)
Income Tax	\$0.9m	-
NPAT	\$3.1m	(\$3.9m)
Earnings per Share	0.77 cents	-1.26 cents

Commentary on FY11 Performance

The significant turnaround in the group's performance can be attributed to two main factors: (i) the decision to expand the drilling business into Uruguay which, whilst logistically difficult and necessitating considerable effort, has been financially rewarding; and (ii) the

commencement of trial mining at the Ze Vermelho Gold Prospect, from which the cash-flows generated from gold sales have been sufficient to fund the exploration effort at Ze Vermelho and elsewhere in the Company's Alta Floresta Project.

The increased funding into exploration has enabled the identification of a number of new targets, including the Tamandua and Cidinha gold prospects which are currently being drill-tested. The Company currently has a list of eleven high priority targets for geological assessment with this number expected to grow with the increased exploration effort and budget planned for FY12.

The Company is extremely confident of achieving further exploration success in the Alta Floresta Gold Project provided that the Company can continue to fund its exploration activities.

FY12 Outlook

The outlook for drilling services in South America remains strong with many new resource companies entering the region. The Company, as recently announced, is committed to growing its drilling fleet (within its working capital capabilities) to meet the demand for its services. To this end, the Company has committed to the purchase of an additional RC drill rig, with that drill rig due to arrive in Uruguay within the next 6 weeks. Finance was sought and attained with respect to this rig from the manufacturer.

The outlook for the Company's gold division is the best at any time in the Company's history. Trial mining at Ze Vermelho continues to generate strong cash-flows as the existing ore body is explored through drive development at each 10 metre level. A planned geophysical survey to be undertaken in the near future is expected to allow the Company to efficiently delineate the ore body(s) at Ze Vermelho through targeted drilling. Elsewhere within the Alta Floresta Gold Project, there are numerous high priority targets to be drill tested as referred to above.

For further information, please contact the undersigned on (08) 9381 1755.

Yours faithfully



RANDAL SWICK
Executive Chairman

About Cougar Metals NL:

Cougar Metals NL is a Perth based exploration company listed on the Australian Securities Exchange (ASX:CGM). The Company is focused on exploring the Alta Floresta Gold Project in central west Brazil, where past production is estimated at five million ounces of gold. The Company also operates growing mineral drilling businesses in Brazil and Uruguay, providing surface diamond, reverse circulation and RAB drilling services to the Brazilian and Uruguayan mining industries. The Company also holds the mineral rights to the Pyke Hill JORC compliant Measured and Indicated Resource of 14.7mt @ 0.9% Ni and 0.06% Co.