



ASX ANNOUNCEMENT

11 July 2011

APPOINTMENT OF SENIOR EXECUTIVE

Cougar Metals NL (ASX:CGM) is pleased to advise the appointment of Michael Fry in the capacity of Chief Financial Officer and Commercial Manager. Michael is a highly experienced accounting and finance professional and is well regarded in the investment community.

His role at Cougar Metals NL (“**Cougar**” or “**the Company**”) will involve all aspects of financial management, commercial management and investor relations.

For the past seven years, Michael has been a senior executive with Swick Mining Services Ltd, a drilling services provider to the Australian and North American market. In his capacity as Chief Financial Officer and Finance Director (up until June 2010) and more recently in the capacity of General Manager Corporate, Michael played a key role in the transition of Swick Mining Services from a small family owned business into a market leader in underground diamond drilling, employing 650 staff and operating a fleet of approximately 70 drill rigs.

Prior to his involvement at Swick Mining Services Michael held the position of CFO of Cougar after playing a significant role in the listing of the Company in 2003.

Per Randal Swick “I worked closely with Michael in the early days of Cougar and also in my capacity of non-executive director of Swick Mining Services, which I held until September 2007, and am pleased to welcome him back to the Company as we enter an exciting phase of our business. Michael's experience at Swick Mining Services will enable him to add significant value to our Company's operations and market acceptance across both our exploration and contract drilling businesses. I look forward to working together with him in growing and promoting our Company.”

Per Michael Fry “I am very pleased to re-establish a working relationship with Randal at this time in the evolution of Cougar as a Company. I am particularly excited about the prospects of Cougar's drilling businesses in South America which are performing strongly and are well placed to perform even more strongly in FY12 given the level of demand for drilling services in that region, particularly from the significant (and increasing) number of Australian and Canadian resource companies in the region who are looking for high quality and competent drilling service providers.”

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“With a turnover in FY11 in the vicinity of \$20 million and an expectation that this should increase significantly in FY12 and return strong profitability, Cougar’s South American drilling businesses are substantial businesses which I suspect are not well understood by investors. One of my initial priorities will be to rectify this” Mr Fry said.

“As excited as I am about the drilling business, my initial view is that it is the Brazilian gold exploration business which provides the greatest upside for investors. My understanding from the geology team is that much of the most prospective ground has only been granted in the last 18 months and the challenge will be to properly and systematically explore the many targets that have been prioritised by the geological team. The Ze Vermelho prospect is currently generating strong positive cash-flows from trial mining as part of a program to delineate the extent and grade of mineralisation. If the Ze Vermelho prospect is able to continue to provide these strong cash-flows into the future this will go a long way towards funding the exploration program. With a history of considerable alluvial gold production in the area confidence is high amongst the geological team that the region will be successful for the Company”, added Mr Fry.

Mr Fry is currently a non-executive director of VDM Group Ltd (ASX Code: VMG).

In accordance with ASX Listing Rule 3.1, a summary of the key terms and conditions of Mr Fry’s employment agreement is attached.

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 Measured plus Indicated Resources of 14.7mt @ 0.9% Ni and 0.06% Co (published March 2008).

For further information re this announcement, please contact the following on (08) 9381 1755:

Randal Swick
Managing Director

Michael Fry
CFO and Commercial Manager

APPENDIX A

Below is a summary of the key terms and conditions of Mr Fry's employment agreement:

Item	Description
Term	Ongoing permanent contract
Commencement Date	4 July 2011
Remuneration	Fixed Salary Fixed remuneration of \$220,000 per annum (including superannuation). This amount is reviewable at the Board's discretion each year.

Short Term Incentive Payments

A short term incentive plan will be developed by 31 December 2011 and implemented by 30 June 2012 whereby Mr Fry may be paid bonuses of up to 30% of his base salary based on the achievement of agreed key performance indicators or milestones.

Long Term Incentive Payments

The following long term incentive payments apply:

- 5,000,000 options to acquire fully paid ordinary shares at an exercise price of 4.1 cents per share exercisable within 3 years of commencement of employment, vesting on commencement of employment.
- 5,000,000 options to acquire fully paid ordinary shares at an exercise price of 5.1 cents per share exercisable within 3 years of commencement of employment, vesting on commencement of employment.
- 5,000,000 options to acquire fully paid ordinary shares at an exercise price of 6.5 cents per share exercisable within 3 years of commencement of employment, vesting on commencement of employment.

Entitlements upon Termination

On termination of employment Mr Fry will be entitled to receive from the Company:

- his remuneration in respect of the period up to the date of termination;
- any leave entitlements that may have accrued prior to the termination date; and
- subject to any restrictions or approvals under Listing Rules 10.18 and 10.19 and the Corporations Act and provided the employment agreement has not been terminated as a result of any breach by Mr Fry, an amount equal to 1 month per year of service or 6 months, whichever the greater.

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