



1 September 2005

ASX ANNOUNCEMENT

No. of Pages: 1

COMPLETION OF TOOMEY HILL SALE TO MURRIN MURRIN JOINT VENTURE

Cougar Metals NL (ASX code: CGM) is pleased to announce that it has completed the sale of the Toomey Hill Project to the Murrin Murrin Joint Venture participants, resulting in a significant multi-million dollar cash injection for Cougar.

As previously announced, the Murrin Murrin Joint Venture participants (Minara Resources Ltd 60%) agreed to acquire Cougar's interests in the Toomey Hill Project (Cougar 70%) and the Pyke Hill Project (Cougar 100%) for total consideration of \$5.2 million, subject to all conditions precedent being met. Cougar's net proceeds from the sale will amount to \$5.05 million, after allowing for the additional costs associated with Cougar's acquisition of the Pyke Hill Project.

All conditions precedent were recently met for the sale of the Toomey Hill Project, paving the way for completion of the sale yesterday on 31 August. As a result, Cougar has received a significant proportion of the consideration due under the agreement. Cougar expects all remaining conditions precedent for the sale of the Pyke Hill Project to be met in the coming weeks.

The sale of the Toomey Hill Project to the Murrin Murrin Joint Venture participants is a significant achievement that secures the Company's medium term financial future and enables Cougar to implement comprehensive and well funded exploration programs at its highly prospective Alta Floresta Gold Project in Brazil.

For further information, please contact Mr Randal Swick or Mr Michael Fry on (08) 9277 7908.

Yours faithfully

RANDAL SWICK
MANAGING DIRECTOR