



PUGET VENTURES INC. ANNOUNCES FLOW-THROUGH PRIVATE PLACEMENT

VANCOUVER, BC (DECEMBER 19, 2011): PUGET VENTURES INC. (TSX.V: PVS) (the "**Company**") announces that it has arranged a non-brokered private placement financing (the "**Private Placement**") of up to 285,715 Flow-Through Units (the "**FT Units**") at a price of \$1.05 per FT Unit, for gross proceeds of up to approximately \$300,000.

Each FT Unit will be comprised of one "flow-through" common share (a "**FT Share**") and one-half of a non-flow-through common share purchase warrant (the "**Unit Warrant**"). Each whole Unit Warrant will entitle the holder thereof to purchase an additional non-flow-through common share (a "**Unit Warrant Share**") at a price of \$1.50 per share for a period of 36 months, subject to adjustment (as described below).

Each FT Unit will also be accompanied by a Compensation Warrant. Each Compensation Warrant will entitle the holder thereof to acquire, for no additional consideration or action, additional non-flow-through common shares (the "**CW Shares**") if:

1. the Company does not complete its proposed acquisition of Pafra Enterprises Company Limited ("**Pafra**") or its Karakul Property (the "**Pafra Acquisition**") on substantially the same terms and conditions described in its information circular dated June 29, 2011 and its addendum dated July 15, 2011; or
2. the Company completes a subsequent prospectus financing (an "**Alternate Prospectus Offering**") on terms more favourable than those proposed in the Private Placement (disregarding the "flow through" features); for example, if the Alternate Prospectus Offering is offered at less than \$1.05 per security). However, in such event, the issuance of CW Shares will be subject to the Company receiving prior shareholder approval with respect to such issuance of CW Shares.

(Both such events are referred herein as a "**Conversion Event**").

If a Conversion Event transpires, the number of CW Shares issuable upon the conversion of one Compensation Warrant will be determined according to the following formula:

$$(\$1.05 - X)/X$$

where X =

- (a) in the event of an Alternate Prospectus Offering, the offering price of such prospectus financing; or
- (b) in the event that the Company does not complete its acquisition of Pafra or the Karakul Property, the 30 day volume weighted average trading price of the Company's common shares, calculated from the first day of trading after the Company announces the termination of such acquisition (the "**30 VWAP**").

However, the maximum number of CW Shares issuable upon the conversion of one Compensation Warrant will be one (1) CW Share. Additionally, no fractional CW Shares will be issued, and any fractional share will be rounded down to the nearest whole share.

If a Conversion Event occurs, the Unit Warrants will also be adjusted accordingly in the following manner:

- the exercise price of the Unit Warrants will be adjusted to: (A) the 30 VWAP multiplied by (B) 1.429, to a minimum of \$0.49 per share;
- the number of Unit Warrant Shares issuable upon exercise of a Unit Warrant will be adjusted to that number of shares that is equal to the number of CW Shares issuable under one Compensation Warrant, divided by two; and
- the exercise period of the Unit Warrants will be extended by 30 trading days.

Additionally, in the event that:

- a person should become a “control person” upon the issuance of such CW Shares by virtue of holding 20% or more of the Company’s common shares, then the issuance of such CW Shares will be subject to prior shareholder approval and the TSXV’s prior approval; and
- a person should become an “insider” upon the issuance of such CW Shares by virtue of holding 10% or more of the Company’s common shares, then the issuance of such CW Shares will be subject to the TSXV’s prior approval.

The Company plans to use any proceeds to fund to fund exploration expenditures on its Ontario mineral properties, including the Werner Lake Mineral Belt Property. Additional information regarding the Werner Lake Mineral Belt Property can be found in the NI 43-101 compliant technical report available under the Company’s profile on SEDAR at www.sedar.com.

The securities issued under the Private Placement will be subject to a four month hold period under applicable Canadian securities legislation. A finder's fee may be payable in relation to the proposed private placement in line with the policies of the TSX Venture Exchange.

About Puget Ventures Inc.

Upon completion of the Pafra Acquisition, Puget Ventures Inc. will be renamed Global Cobalt Corporation, and will be a Canada-based strategic metals company focused on the development of a new mining region in the Republic of Altai. As first mover into this new jurisdiction, Global Cobalt is positioning itself as a pioneer in an untapped region as the first and only foreign-invested publicly traded mining company to advance mineral projects in Altai. Global Cobalt will leverage the world-class Karakul Property and intends to explore other economically feasible projects held under right-of-first-refusal while aggressively expanding and exploring existing properties to supply the growing demand for cobalt and other strategic metals. Further information regarding the Pafra Acquisition and the Karakul Property can be in the Company’s information circular dated June 29, 2011 and its addendum dated July 15, 2011; the Company will provide updates to this information on an ongoing basis.

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Cautionary Statement on Forward-Looking Information: Certain information contained in this news release, including any information relating to Puget or Global Cobalt's future financial or operating performance may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that Puget expects to occur, are "forward-looking statements." Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond Puget's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Key assumptions upon which Puget's forward-looking statements are based include the following: Puget's ability to complete the Pafra Acquisition; its ability to successfully integrate, explore, develop and operate the Karakul Property; that cobalt prices will not fall significantly; that Global Cobalt will be able to secure new financing to continue its operations on an as-needed basis; that there are no significant changes to applicable laws in the geographic areas in which Global Cobalt will operate; that Global Cobalt will obtain regulatory approvals in a timely manner; the absence of material adverse effects; Global Cobalt's ability to achieve its growth strategy; and that Global Cobalt's operating costs will not increase significantly. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, and unusual or unexpected formations. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this news release are qualified by these cautionary statements. Puget expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.