

28 January 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

HIGHLIGHTS

- **Very wide gold intersections found in drilling at Namdini**
- **215m wide gold mineralised zone in diamond drill hole section**
- **Significant intersections include:**
 - **133.75m @ 1.61 g/t from 3m vertical depth**
 - **87m @ 1.08 g/t from 28m vertical depth**
- **13 RC drill holes on 5 sections include:**
 - **83m @ 1.41 g/t from 13m vertical depth**
 - **67m @ 1.78 g/t from surface**
 - **51m @ 1.02 g/t from 35m vertical depth**
 - **48m @ 1.15 g/t from 19m vertical depth**

Cardinal Resources Limited (ASX: CDV) (“**Cardinal**” or “**the Company**”), an African gold focused exploration company, is pleased to present to shareholders its Quarterly Activities report for the period ended 31 December 2015. Currently Cardinal holds four tenements within the Bolgatanga Project, with Subranum comprised of a single tenement (Figure 1).

Commenting on the quarter activities, Managing Director Archie Koimtsidis said:

“We are extremely encouraged by the wide intersections of gold mineralisation reported from 2 of the diamond drill holes and the 13 RC drill holes on the Namdini Project.

“These wide gold intersections range from surface to very shallow depths which further enhances the gold potential of this project.

“These results confirm that wide gold mineralisation continues for approximately 650m north along strike from the original Confirmed Gold Mineralised Zone on the Namdini Licence.”



Figure 1: Cardinal Resources Tenements in Ghana

BOLGATANGA PROJECT, GHANA

RC drilling continued and diamond drilling started at the Namdini Project during this quarter.

NAMDINI PROJECT

The Namdini tenement is located ~12 km SE from Cardinal’s Ndongo East Prospect and ~6 km SE of the producing Shaanxi Gold Mine. The area around the original Namdini Licence has been considerably enlarged, which is anticipated to increase the gold mineralisation since the original Namdini gold discovery (Figure 2).

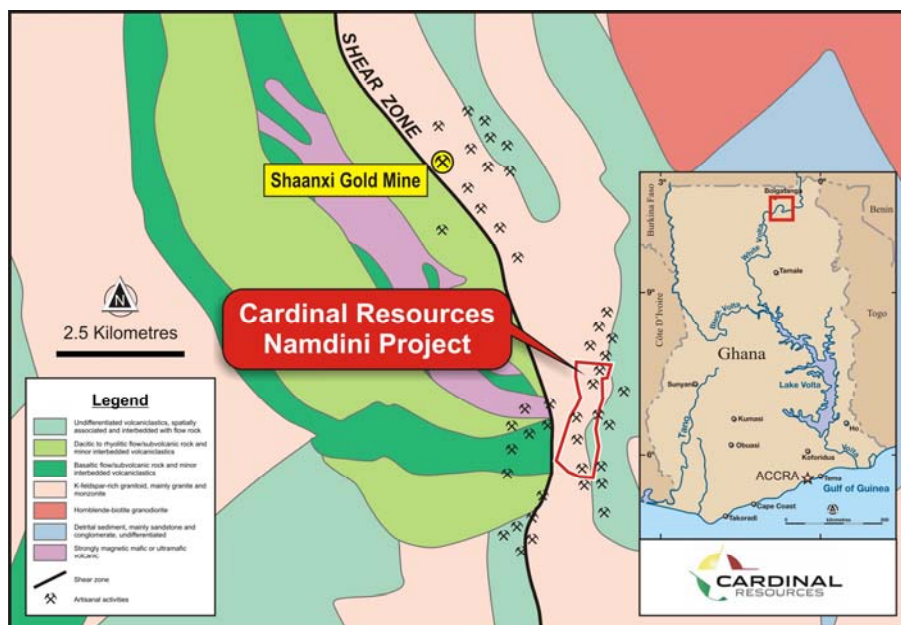


Figure 2: Namdini Project Proximity Map

Cardinal Resources Limited ABN 56 147 325 620

www.cardinalresources.com.au

Ghana: Durugu Residential Area, Kumbosco, Bolgatanga, Ghana P: +233 (0) 261905220 SKYPE: cardinal.archie

Australia: Level 1, 115 Cambridge Street, West Leederville, Perth, 6007 P: +61 (8) 9322 6600 F: +61 (8) 9322 6610

During this quarter, 13 RC and 3 diamond holes were drilled totalling 1,983.28 with a combined total of 2,197 samples, including duplicates, blanks and standards (Table 1), submitted to the SGS Laboratory, Ouagadougou, Burkina Faso for assaying by standard fire assay methods. QAQC protocols were observed by the taking of duplicates, and inserting in-house blanks and commercial certified reference material (CRM) as standards.

DRILL METHOD	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Stds
DD Drilling (Namdini Q4 2015)	3	892.28	964	0	22	23
RC Drilling (Namdini Q4, 2015)	13	1,091.00	1,078	56	27	27
TOTALS	16	1,983.28	2,042	56	49	50

Table 1: Namdini Drilling (Q4 2015)

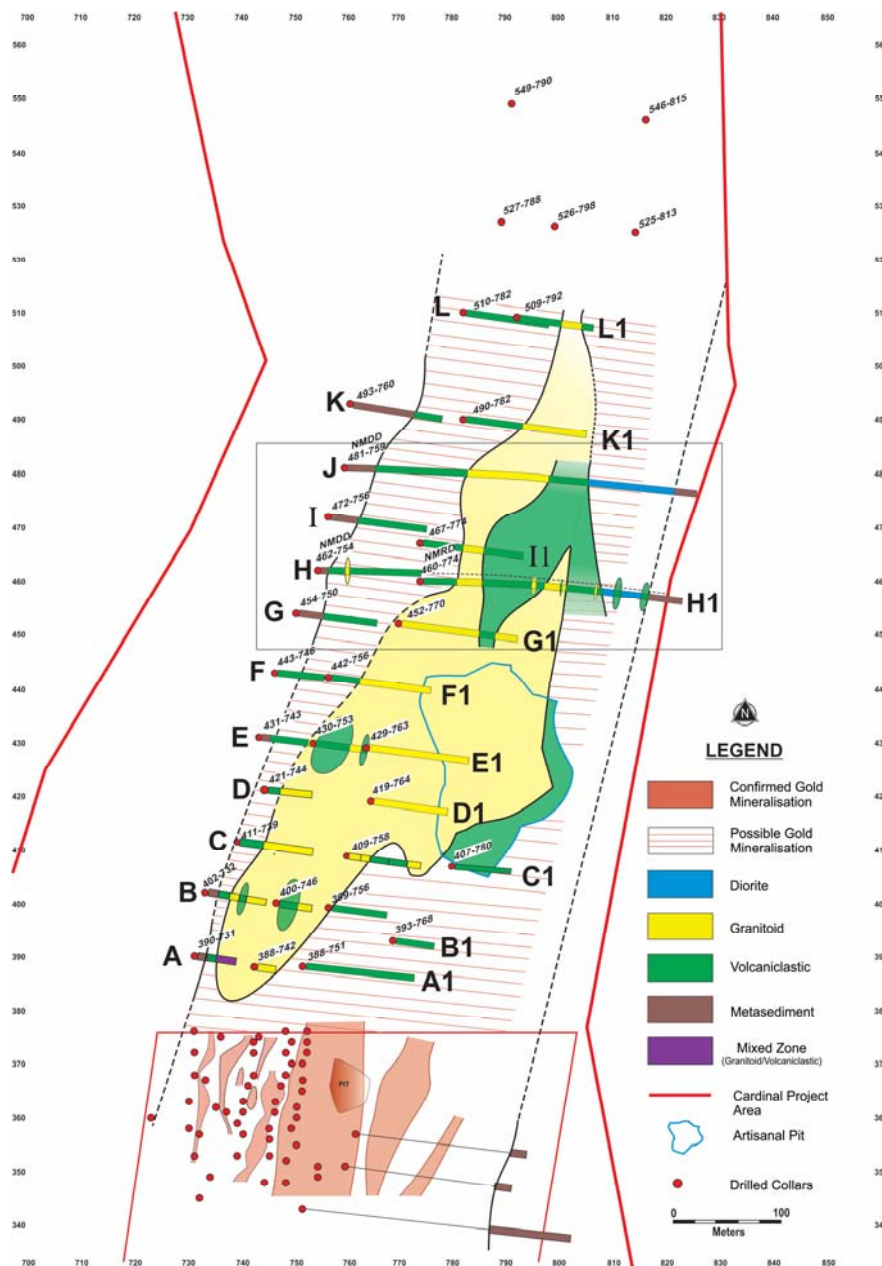


Figure 3: Location of drill hole sections on the Namdini Project (see Figure 4 for indicated area details)

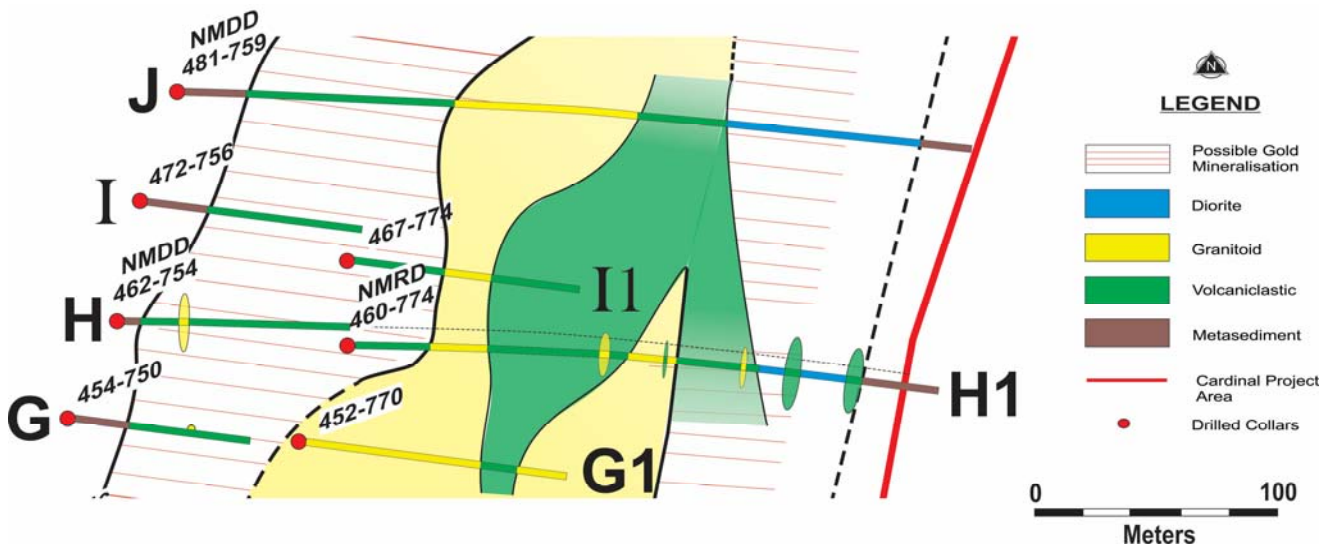


Figure 4: Diamond Drill Holes NMDD462-754, NMRD460-774 and NMDD481759

The mineralised zones shown on the sections range between 128m to 230m across strike (Figures 5 to 9), indicating wide zones of gold mineralisation.

The granitoids have intruded into the volcanoclastics in the south forming some mixed mineralised zones. The volcanoclastics are developed to the west of the granitoids in narrow zones, but are still mineralised. However, to the east of the granitoids, the volcanoclastics are well mineralised for more than 100m across strike, which is very encouraging (Figure 2).

The sections in the north are mineralised, indicating continuity of the mineralised zone.

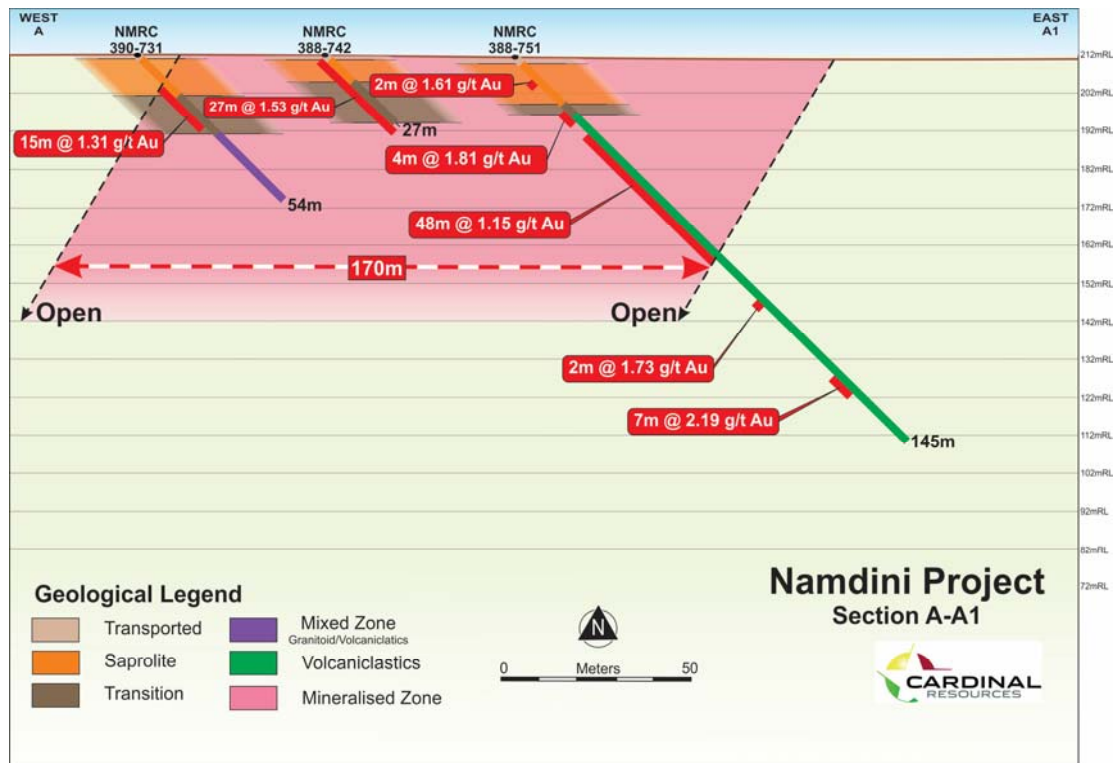


Figure 5: Section A-A1

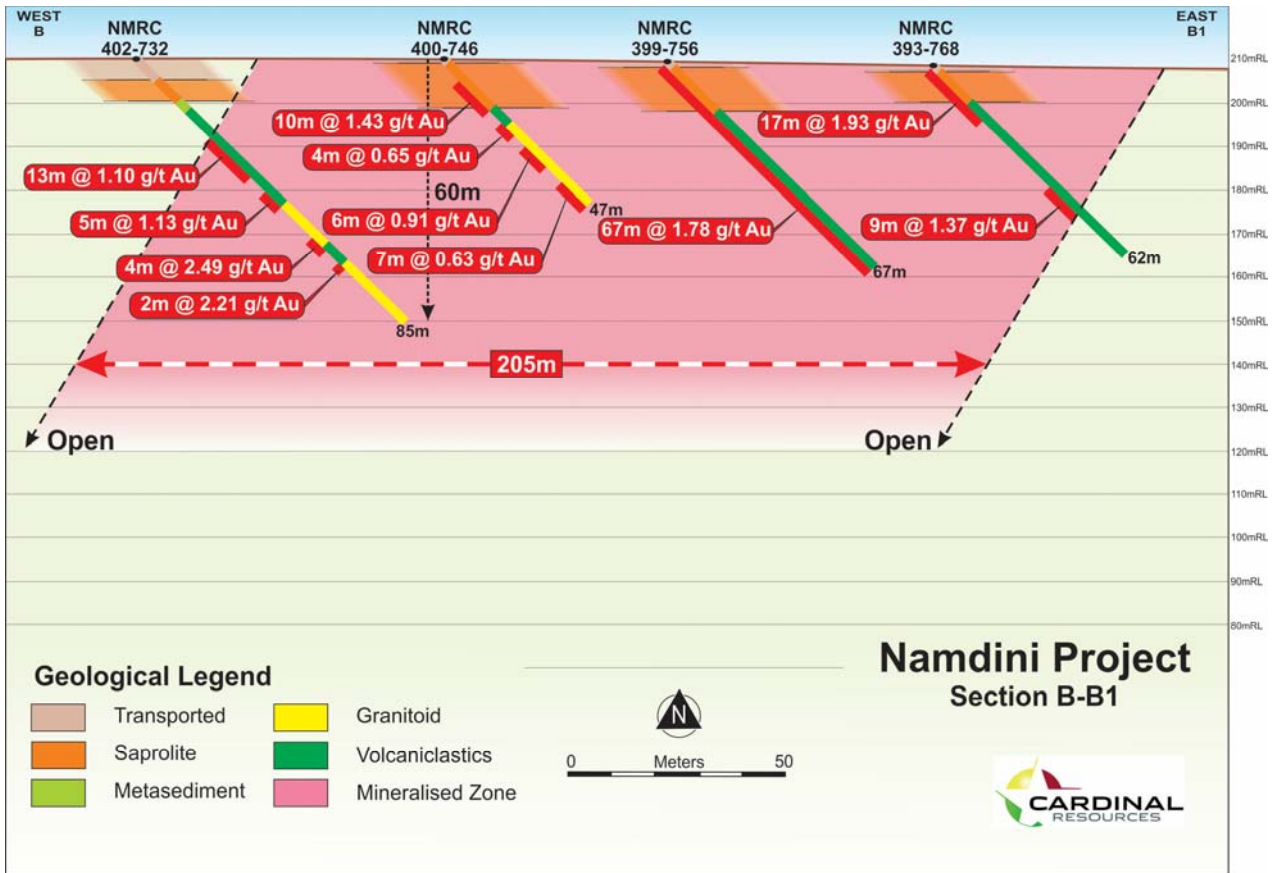


Figure 6: Section B-B1 with 205m mineralised width

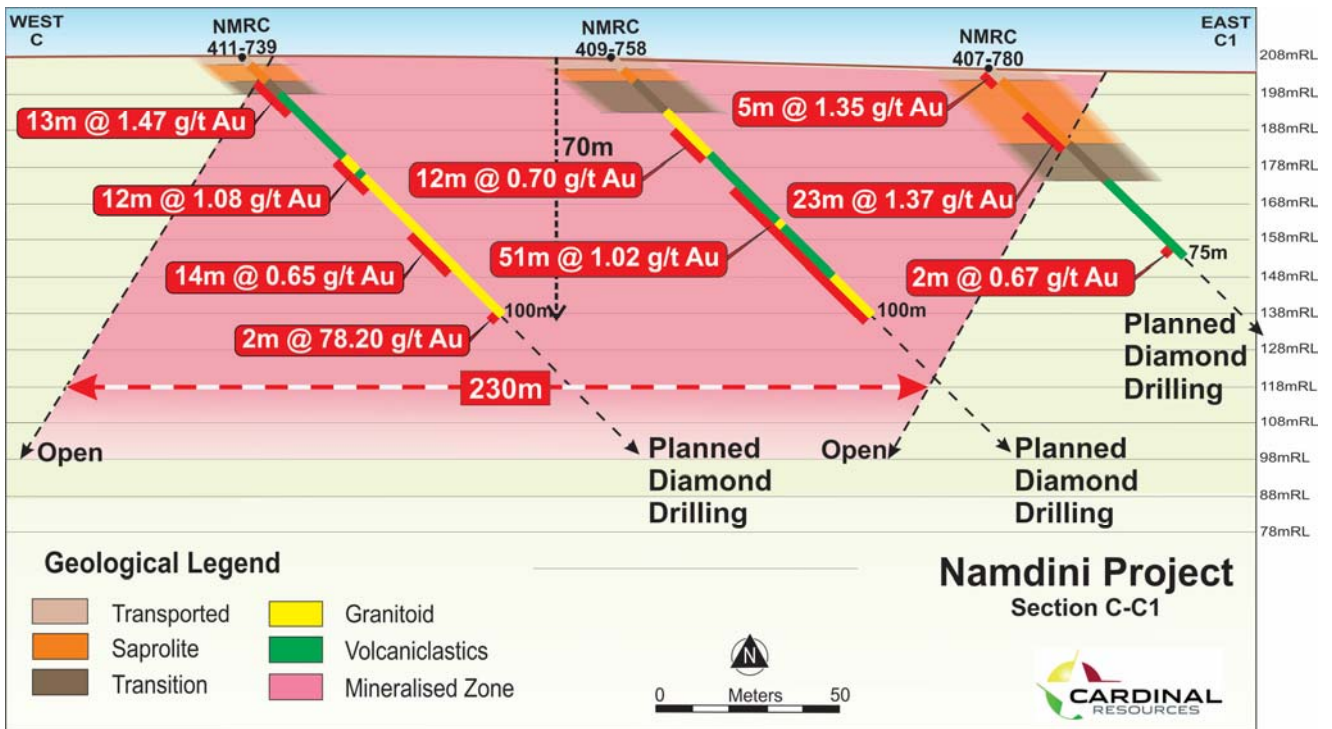


Figure 7: Section C-C1 with 230m mineralised width

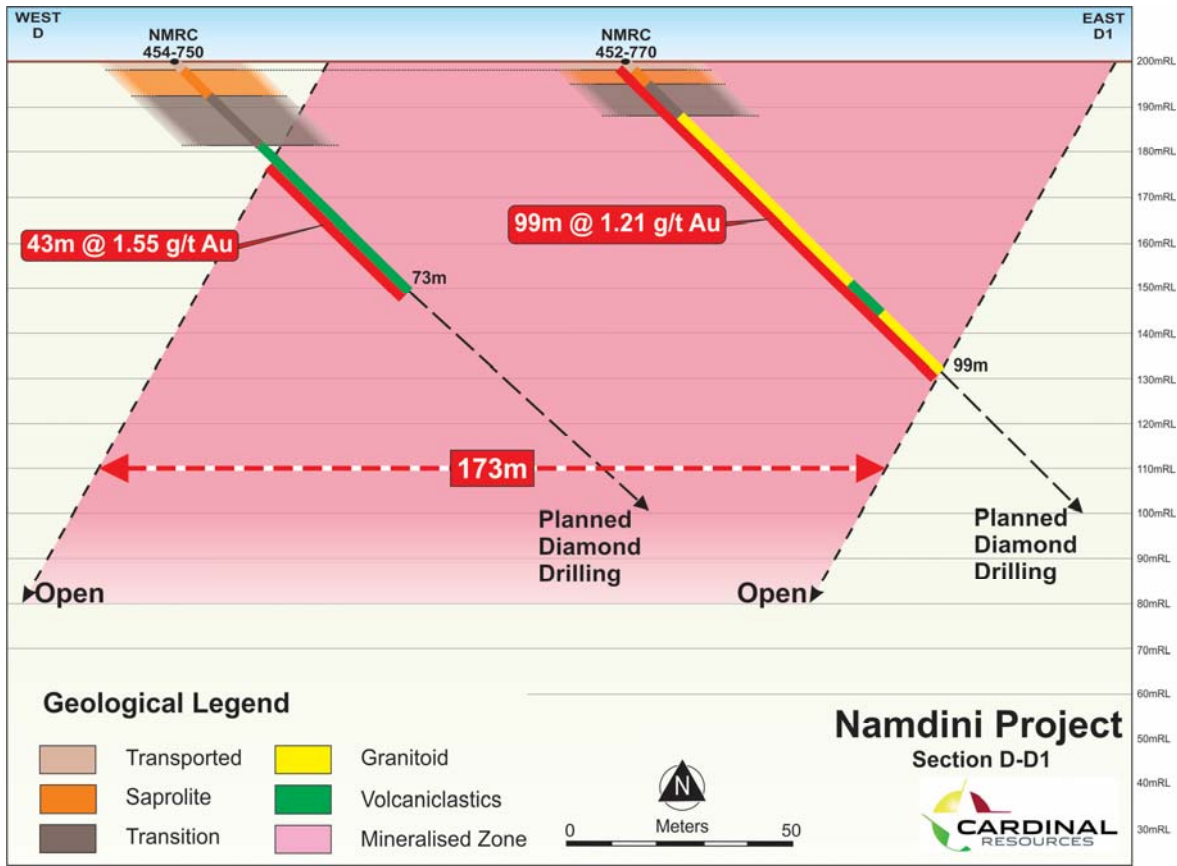


Figure 8: Section D-D1 with 173m mineralised width

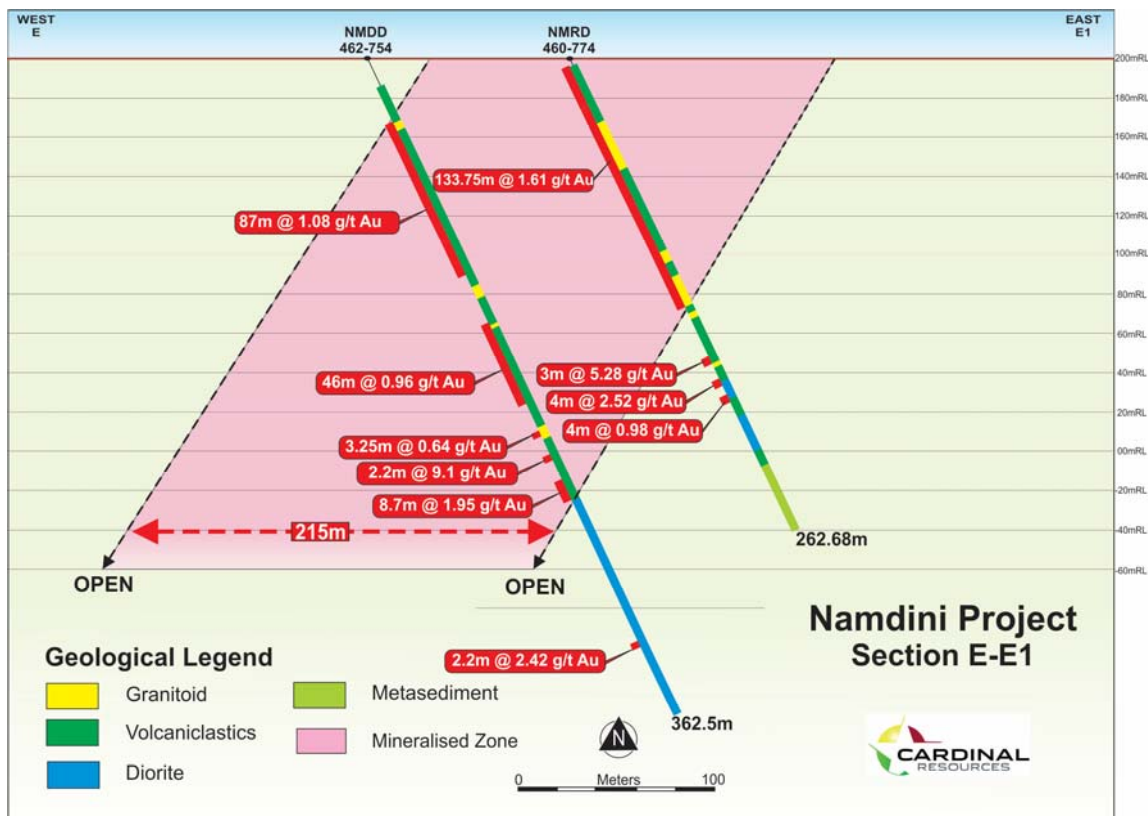


Figure 9: Section E-E1 with 173m mineralised width

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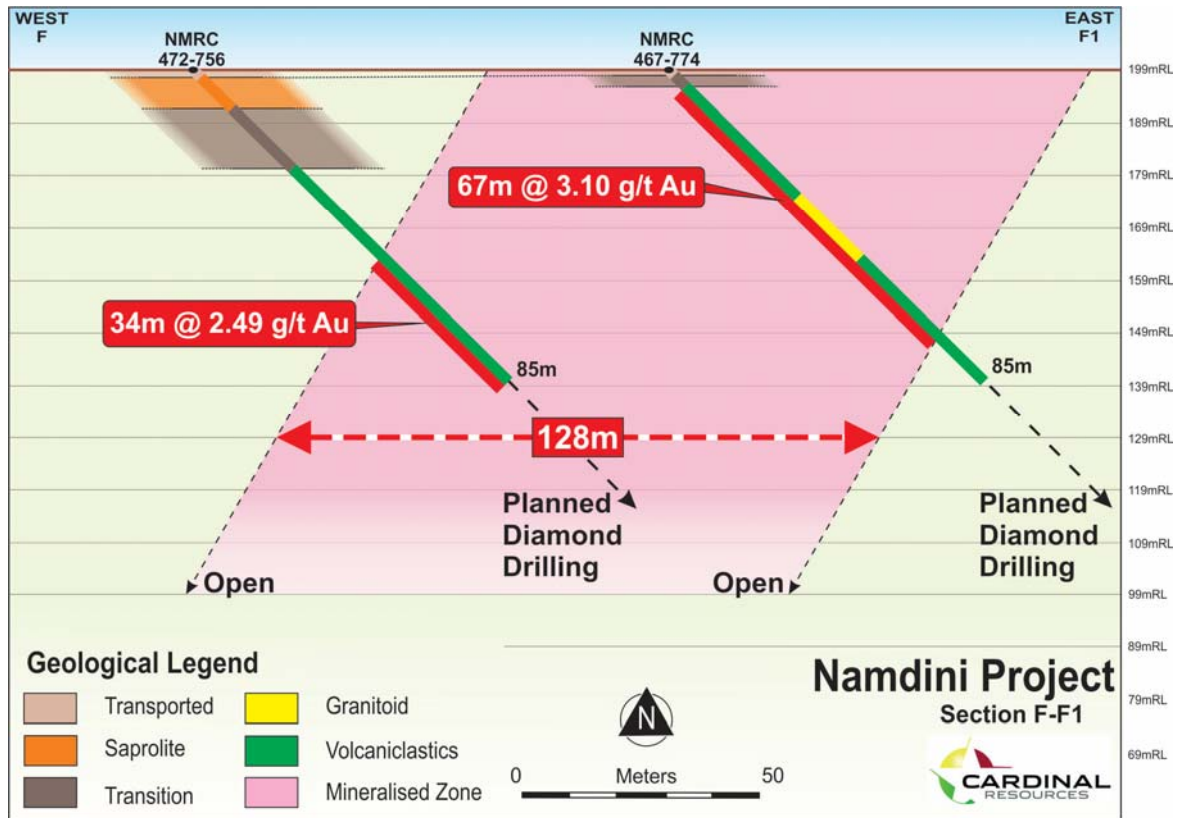


Figure 10: Section F-F1 with 128m mineralised width

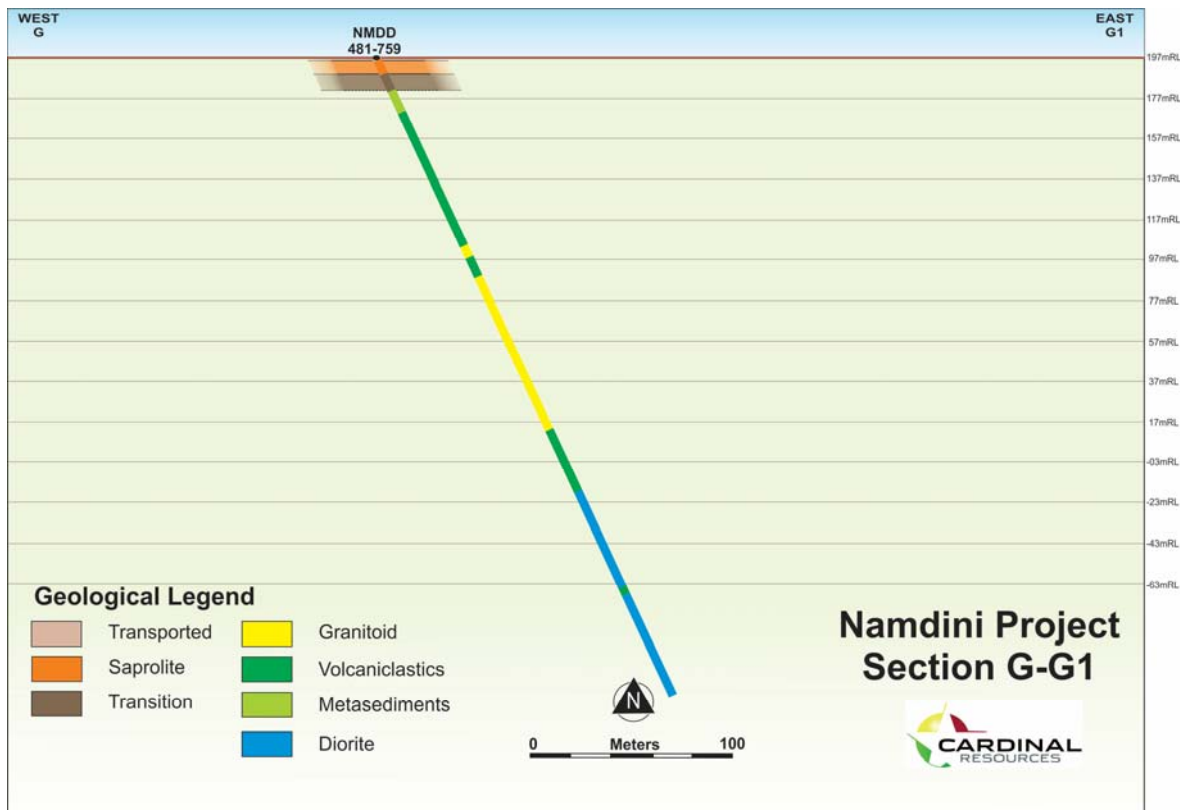


Figure 11: Section G-G1 (diamond drill hole)

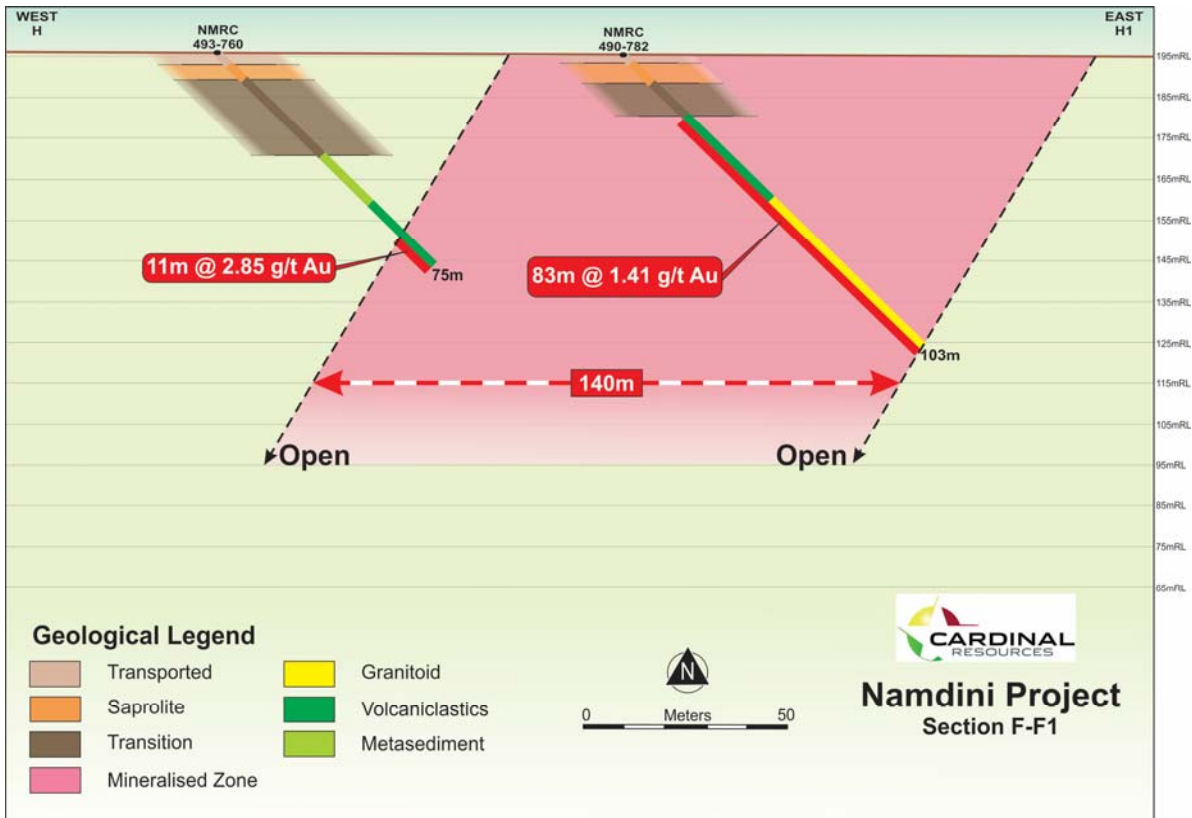


Figure 12: Section H-H1

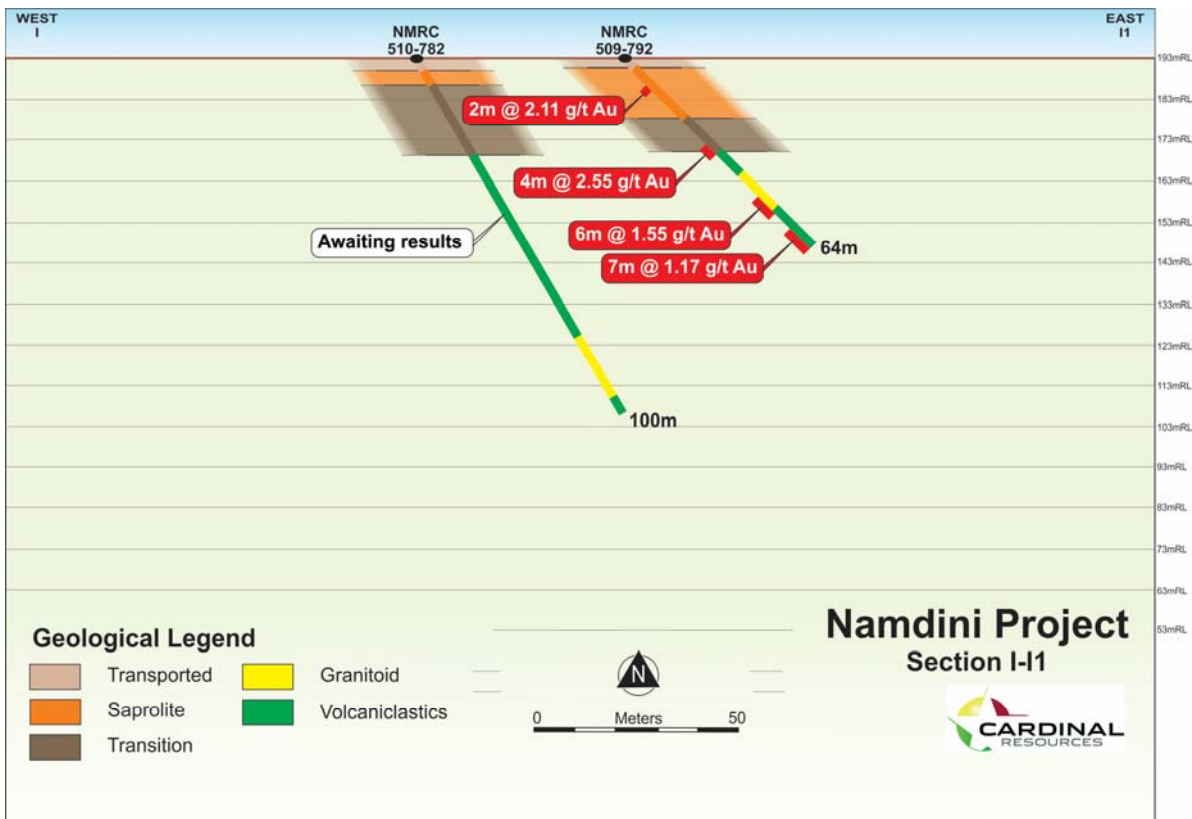


Figure 13: Section I-I1

NDONGO PROSPECT

Ndongo Far East Prospect

The airborne geophysical survey over the Ndongo Tenement identified a magnetic body intruded into the low pressure dilation zone around the southern and SE margins of the Pelungu Granite (Figure 14).

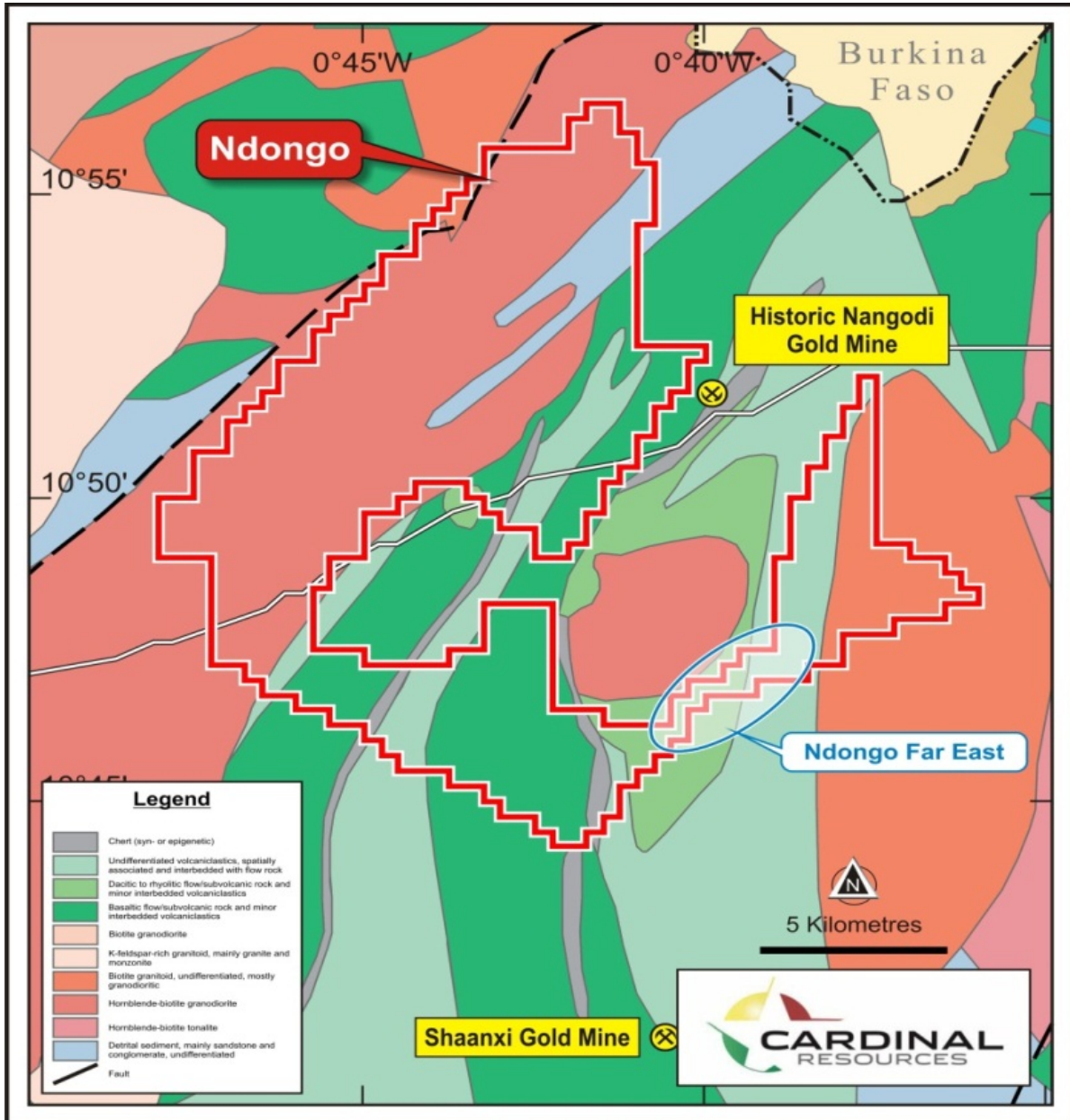


Figure 14: Ndongo Far East Prospect

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive. A Gradient Array Induced Polarisation (GAIP) survey over this target area has been planned which should indicate whether any gold-bearing sulphides are developed around the margins of this magnetic intrusive.

BONGO PROSPECT

The airborne geophysical survey over the Bongo Prospect delineated six interpreted target areas containing ~40 km of possible mineralised structures (Figure 15).

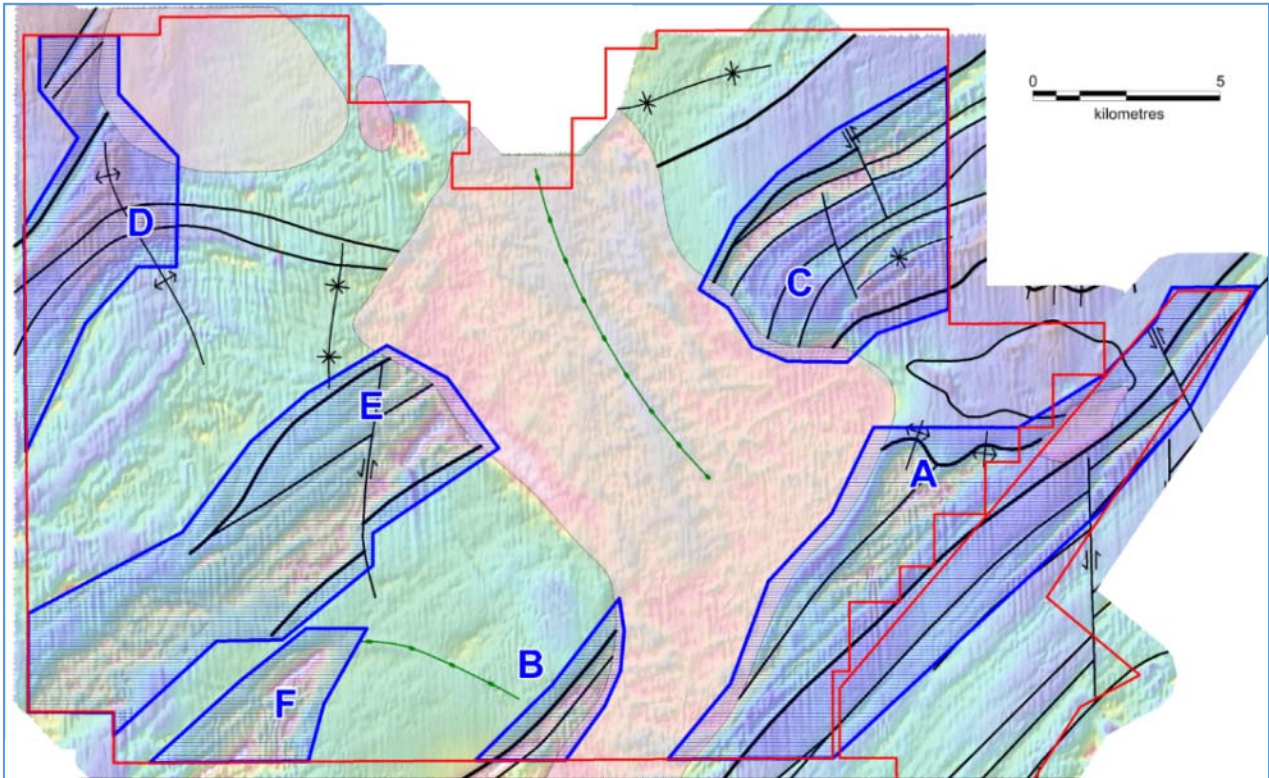


Figure 15: Bongo - 2013 airborne survey magnetic image with preliminary interpretation and six target zones

During this quarter field mapping over portions of Target C located magnetised mafic outcrops adjacent to an ultramafic unit. Rock chip sampling was done over the magnetised mafic outcrops and sent for multi-element analyses to determine their base metal potential. The analyses indicate there may be some base metal potential, which requires a ground geophysical survey to determine the extent of the magnetic rock unit and geochemical sampling to determine its base metal content.

KUNGONGO PROSPECT

The airborne geophysical survey over the Kungongo Prospect delineated two interpreted target areas containing ~30 km of possible mineralised structures (Figure 16).

Target A occurs over a ~6 km long portion of the SW extension of the regional Bole-Bolgatanga Fault (Shear) Zone which extends over northern Ghana. Target B occurs over a ~7 km long area underlain by Birimian greenstones and granitoids.

During this quarter further reconnaissance field checking of airborne geophysical targets was completed over Target A. Accessibility to these targets was checked to enable a RC drill program to be planned.

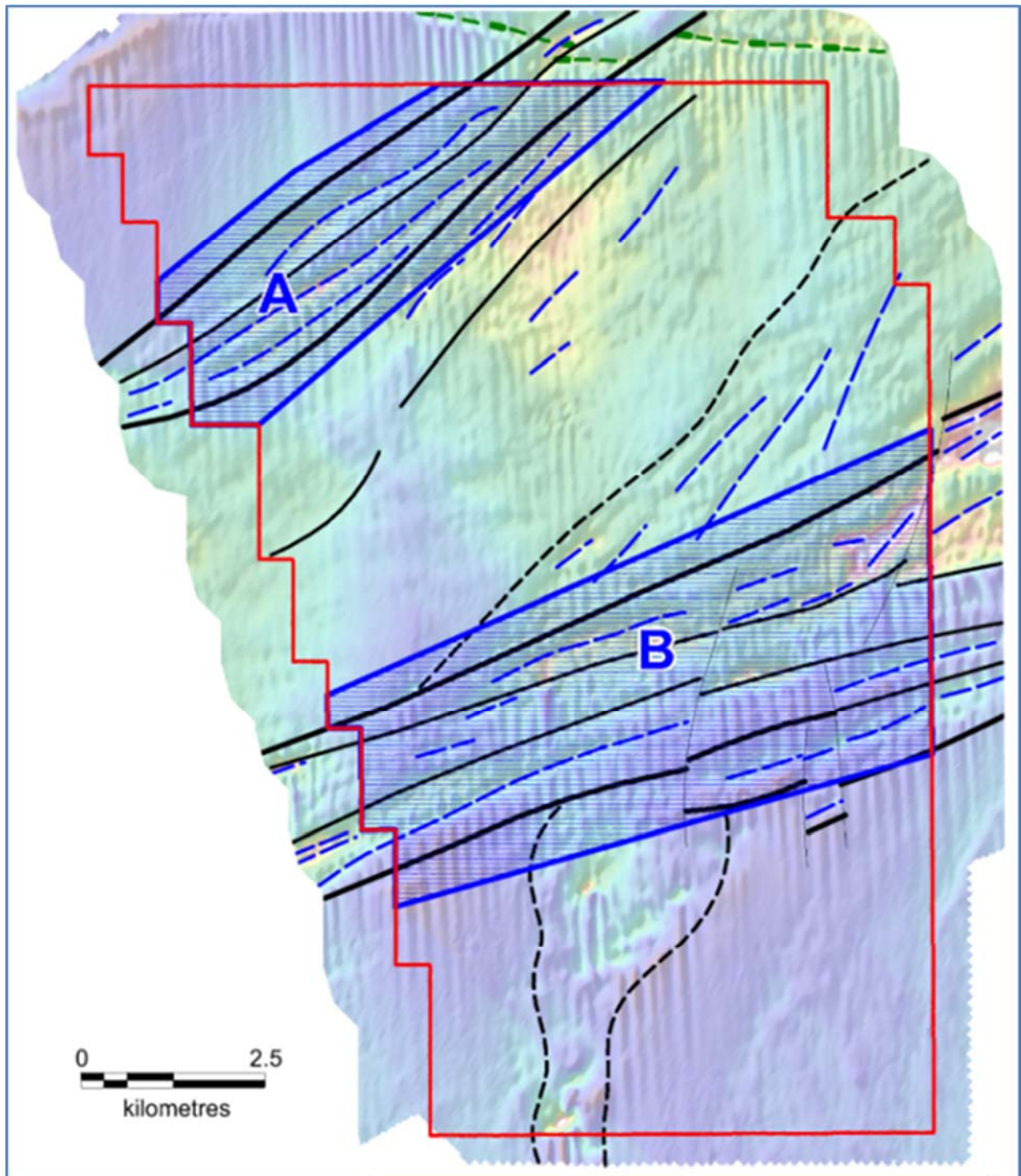


Figure 16: Kungongo – 2013 airborne survey magnetic image with preliminary interpretation and two target zones

SUBRANUM PROJECT

Previous exploration at Subranum has established that the significant anomalous zone has a 5.2km strike length. Previous drilling, however, had been on 11 fences of varying distances between 200m to >500m apart (Figure 17).

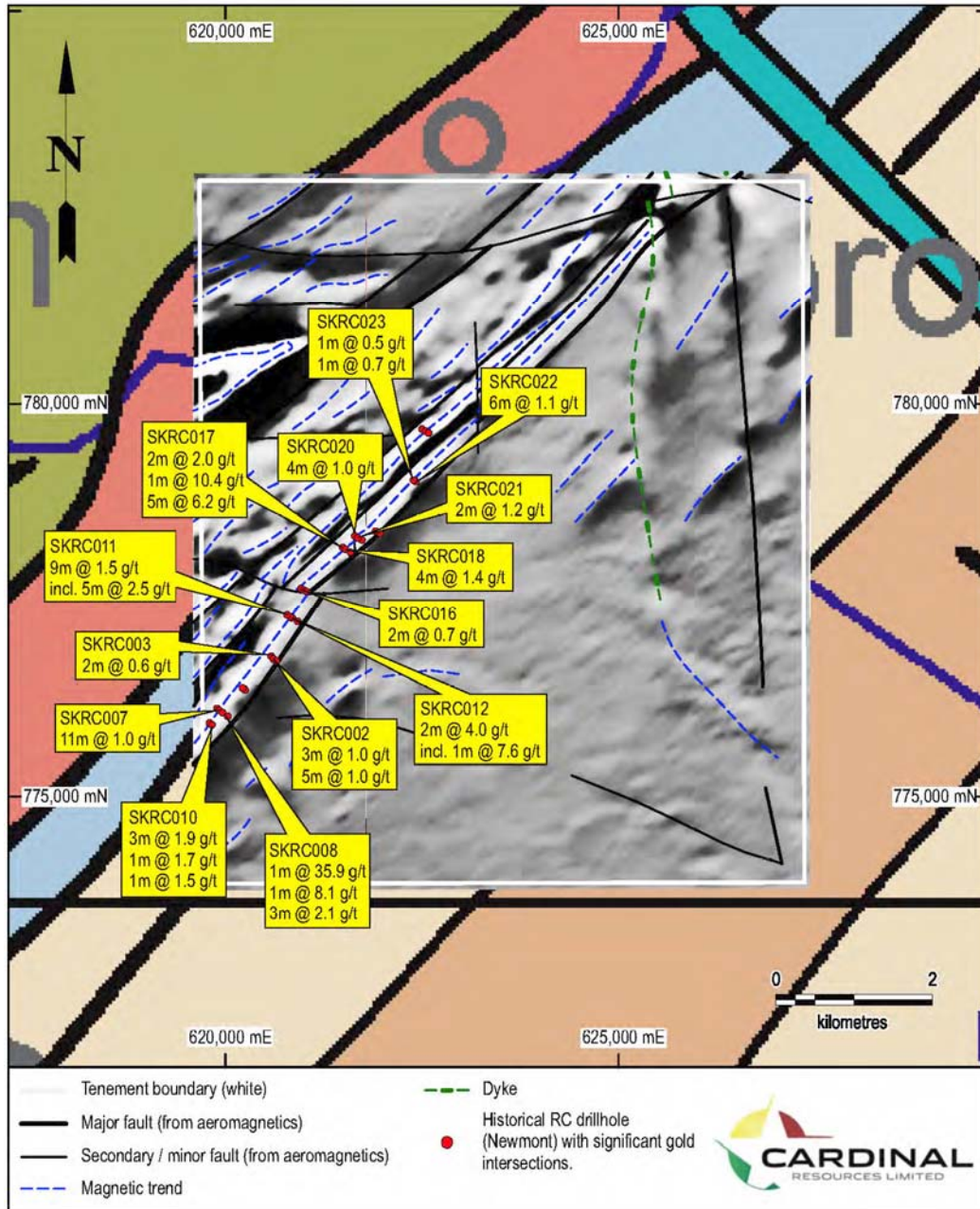


Figure 17: Historical RC drillholes (Newmont) with significant gold intersections highlighted. Magnetic greyscale image in background.

To properly evaluate the gold mineralisation contained within these anomalous zones, Cardinal has planned a systematic diamond drilling program at regular intervals across the strike length of these anomalies. This planned program will then determine whether the gold mineralisation is continuous or not, and whether there is a plunge to the mineralisation.

Cardinal's planned diamond drill program of 5,100m will concentrate on the 3 high priority targets, namely the SW Target (1,500m), the Central Target (2,100m) and the NE Target (1,500m).

This drill program is being planned subject to seasonal conditions.

CORPORATE

During the quarter the Company was pleased to advise that Mark Connelly was appointed of the Non-Executive Chairman of the Company.

Mr Connelly is the former Managing Director and Chief Executive Officer of Papillon Resources Limited, a Mali-based gold developer which recently merged with Vancouver-based B2Gold Corp in a USD\$570 million deal.

Mr Connelly has more than 27 years of experience in the mining industry, and has held senior executive positions with Newmont Mining Corporation and Inmet Mining Corporation. He has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities including gold, base metals and other resources in West Africa, Australia, North America and Europe.

Mr Connelly replaces Mr Alec Pismiris, who has resigned from the Board.

Commenting on the Non-Executive Chairman Appointments, Archie Koimtsidis, Managing Director said:

"The Board thanks Mr Pismiris for his tireless efforts over the past four years. Mr Pismiris has been an active Board member and Chairman who has provided important contributions to the Company since its founding. "The Board welcomes Mr Connelly to the role of Non-Executive Chairman whose important skills will be invaluable in progressing the Company's objectives."

Capital Raising

On 27 November 2015 the Company advised that it had allotted 32,167,300 fully paid shares and 30,166,058 Listed Options, exercisable at \$0.15 on or before 30 September 2019 ("Listed Options"), to raise a total of \$3,216,730,

The Company issued an additional 332,116 fully paid shares and 166,058 listed options to raise over \$6.0 million in total since September 2015.

Commenting on the capital raising, Archie Koimtsidis, Managing Director said:

"We are very pleased with the strong level of support from new and existing shareholders who recognise the significant potential of our projects.

"We are pleased that the tremendous potential of our Ghanaian Projects is increasingly being recognised by a range of Sophisticated Investors."

CAPITAL STRUCTURE

As at the date of this report the Company has following capital structure;

Capital Structure	Listed	Unlisted	Total
Fully Paid Ordinary Shares (CDV)	172,991,385	-	172,991,385
Options Ex. \$0.15 on or before 30 September 2019	117,587,039	-	117,587,039
- Class A Performance Shares	-	50	50
- Class B Performance Shares	-	50	50
- Class C Performance Shares	-	60	60

Cash Balance

The Company's cash balance at 30 December 2015 was approximately \$2.938 million.

TENEMENT SCHEDULE - ASX LISTING RULE 5.3.3

The following mining tenement information is provided pursuant to ASX Listing Rule 5.3.3. No tenements in part or whole, were relinquished, surrendered or otherwise divested during the quarter ended 31 December 2015.

Tenement	Licence Status	Ref	Note	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Ghana						
<i>Bolgatanga Project</i>						
Ndongo	Prospecting	PL9/22		-	-	100%
Kungongo	Reconnaissance	RL9/28		-	-	100%
Bongo	Reconnaissance	RL9/29		-	-	100%
Namdini	11 SS Mining Licences		2	100%	-	100%
<i>Subranum Project</i>						
Subranum	Prospecting	PL/309	1	-	-	-

Notes:

1. **Subranum Project:** Cardinal Resources Subranum Limited has entered into a Sale and Purchase agreement with Newmont Ghana Gold Limited (a subsidiary of Newmont Mining Corporation) for the purchase of Subin Kasu Prospecting Licence (the "Subranum Project").
2. **Namdini Project:** Cardinal Mining Services Limited (a subsidiary of Cardinal Resources Limited) has entered into a Sale and Purchase agreement with Savannah Mining Limited (an affiliated company of Cardinal Mining Services) for the purchase of 11 SS Mining Licences (the "Namdini Project").

For further information contact:

Archie Koimtsidis
Managing Director
Cardinal Resources Limited
P: +233 (0) 26 190 52 20
Skype: cardinal.archie

JORC 2012

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website www.cardinalresources.com.au:

- 3 December 2015 133m Gold Intersection within Diamond Drill Hole
- 26 November 2015 Very Wide Gold Interstions in RC Drill Holes at Namdini
- 23 November 2015 Maiden Diamond Drill Hole Completed at Namdini Project
- 6 October 2015 New Drilling Plan for Namdini Project

The Company confirms it is not aware of any new information or data that materially affects the information included in market announcements relating to exploration activities carried out at the Bolgatanga Project and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cardinal Resources Limited

ABN

56 147 325 620

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(955)	(1,404)
(b) development	-	-
(c) production	-	-
(d) administration	(372)	(643)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	3	4
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(89)	(128)
Net Operating Cash Flows	(1,413)	(2,171)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(1,273)	(1,552)
(b) equity investments	-	-
(c) other fixed assets	(7)	(11)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1,280)	(1,563)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,693)	(3,734)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,217	6,153
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(287)	(297)
	Net financing cash flows	2,930	5,856
	Net increase (decrease) in cash held	237	2,122
1.20	Cash at beginning of quarter/year to date	2,701	816
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,938	2,938

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	151
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	1,150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	144	194
5.2 Deposits at call	2,794	2,507
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,938	2,701

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
	Class A Performance Shares	50	-	-
	Class B Performance Shares	50	-	-
	Class C Performance Shares	60	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	*Ordinary securities	172,991,385	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	32,167,300 -	32,167,300 -	\$0.10 -	\$0.10 -
7.5	*Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options <i>(description and conversion factor)</i>	117,587,039	117,587,039	<i>Exercise price</i> \$0.15	<i>Expiry date</i> 30 September 2019
7.8	Issued during quarter	30,166,058	30,166,058	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	11,000,000	-	\$0.20	31 December 2015
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Company Secretary

Date: 28 January 2016

Print name: Sarah Shipway

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.