

This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Non-Offering Prospectus

July 4, 2017



CARDINAL RESOURCES LIMITED

No securities are being offered or sold pursuant to this non-offering prospectus. This prospectus is being filed with the Ontario Securities Commission to enable Cardinal Resources Limited ("**Cardinal**" or the "**Corporation**") to become a reporting issuer pursuant to the applicable securities legislation in the Province of Ontario.

The Corporation is a corporation incorporated under the Australian Corporations Act 2001 (Cth). The principal activity of the Corporation is gold exploration in Ghana. The Corporation holds interests in prospective tenements for gold mineralization in Ghana in two NE-SW trending Paleo-Proterozoic granite-greenstone belts: the Bolgatanga Project and the Namdini Project, which are located, respectively, within the Nangodi and Bole-Bolgatanga Greenstone Belts in northeast Ghana, and the Subranum Project, which is located within the Sefwi Greenstone Belt in southwest Ghana.

Since no securities are being offered pursuant to this prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this prospectus will be paid by the Corporation from general corporate funds.

The ordinary shares of the Corporation (the "**Ordinary Shares**") are listed and posted for trading on the Australian Securities Exchange (the "**ASX**"). The closing price of the Ordinary Shares on the ASX on April 4, 2017 was \$0.595.

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Ordinary Shares under the symbol "CDV". The listing of the Ordinary Shares will be subject to the Corporation fulfilling all of the listing requirements of the TSX on or before July 19, 2017. See "*Stock Exchange Listing*".

An investment in the Ordinary Shares is speculative and involves a high degree of risk that should be considered by potential purchasers. An investment in the Ordinary Shares is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risk factors included in this prospectus should be reviewed carefully and evaluated by prospective purchasers of Ordinary Shares. See "*Risk Factors*" and "*Forward-Looking Information*".

No underwriter has been involved in the preparation of this prospectus or performed any review or independent due diligence of the contents of this prospectus.

Substantially all of the assets of the Corporation are located outside of Canada and the Corporation is formed and organized under the laws of Australia. All of the directors and officers of the Corporation reside outside of Canada. BDO Audit (WA) Pty Ltd, the Corporation's auditor, is a corporate entity formed

under the laws of Australia. Each of Kevin Tomlinson, Archie Koimtsidis, Mark Connelly, Simon Jackson, Malik Easah and Sarah Shipway has appointed Blakes Extra-Provincial Services Inc., 199 Bay Street, Suite 4000, Toronto, ON, M5L 1A9 as his or her agent for service of process in Canada. Prospective investors in Ordinary Shares are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada even if the party has appointed an agent for service of process.

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ADVISORY

For an explanation of certain terms used in this prospectus, please refer to the Section entitled “Glossary”. References in this prospectus to “management” mean the executive officers of the Corporation. Any statements in this prospectus made by or on behalf of management are made in such persons’ capacities as officers of the Corporation and not in their personal capacities.

Prospective investors should read this entire prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Ordinary Shares. Prospective investors should rely only on the information contained in this prospectus and should not rely on parts of the information contained in this prospectus to the exclusion of others. The Corporation has not authorized anyone to provide additional or different information than is contained herein. If anyone provides a prospective investor with additional, different or inconsistent information, including statements in the media about the Corporation, it should not be relied on.

The information contained in this prospectus is accurate only as of the date of this prospectus or as of the date stated. The Corporation’s business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

TECHNICAL INFORMATION

Except where indicated, the disclosure contained in this prospectus that is of an economic, scientific or technical nature has been summarized or extracted from the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) compliant technical report titled “Technical Report on the Namdini Gold Project, Ghana, West Africa”, dated effective April 5, 2017 (the “**Technical Report**”), prepared by RPA. The Technical Report was prepared by or under the supervision of (i) Ian T. Blakley, Principal Geologist and Vice-President and General Manager of RPA UK Ltd., who is a Professional Geoscientist in the Province of Ontario; (ii) Sean D. Horan, Senior Geologist of RPA, who is a Professional Geoscientist in the Province of Ontario; and (iii) Kathleen Ann Altman, Ph.D., Principal Metallurgist and Director, Mineral Processing and Metallurgy of RPA (USA) Ltd., who is a Professional Engineer in the State of Colorado and a Qualified Member of the Mining and Metallurgical Society of America. The information contained within this prospectus that relates to “Mineral Resources” or exploration results is based on information compiled by Mr. Blakley, Mr. Horan and Dr. Altman. Each of Mr. Blakley, Mr. Horan and Dr. Altman is an independent “qualified person” as such term is defined in NI 43-101 and each has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a “Competent Person” as such term is defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “**JORC Code**”). Each of Mr. Blakley, Mr. Horan and Dr. Altman consents to the inclusion in this prospectus of the Mineral Resource estimate and exploration results in the form and context in which they appear and confirms that such information is based on and fairly represents the Technical Report. Readers should consult the Technical Report to obtain further particulars regarding the Namdini Project. The Technical Report, which constitutes the current technical report for the Namdini Project, was filed on SEDAR on April 5, 2017 and is available for review at www.sedar.com.

Mineral Resource Estimates

The Mineral Resources for the Corporation’s properties (including as used in the Technical Report) have been estimated in accordance with the JORC Code and reconciled with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014 (the “**CIM Definition Standards**”).

JORC Code

The following definitions are reproduced from the JORC Code:

“Mineral Resource” means a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

“Inferred Mineral Resource” means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource (as defined herein) and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

“Indicated Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined herein) as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (as defined herein) and may only be converted to a Probable Ore Reserve (as defined herein).

“Measured Mineral Resource” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Ore Reserve (as defined herein) or to a Probable Ore Reserve.

“Ore Reserve” means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Ore Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

“Probable Ore Reserve” means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proven Ore Reserve.

“Proven Ore Reserve” means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the JORC Code and CIM Definition Standards, **“Modifying Factors”** are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

There can be no assurance that those portions of such Mineral Resources will ultimately be converted into Ore Reserves. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.

Cautionary note to United States Shareholders concerning estimates of Mineral Reserves and Mineral Resources

This prospectus uses the terms “**Probable Ore Reserve**”, “**Measured Mineral Resource**”, “**Indicated Mineral Resource**” and “**Inferred Mineral Resource**”. United States Shareholders are advised that while such terms are recognised and required by Canadian and Australian standards or regulations, the SEC does not recognise them. In particular, and without limiting the generality of this cautionary note, the term “**Mineral Resource**” does not equate to the term “**Ore Reserve**”. This prospectus also uses the terms “**Probable Ore Reserves**” and “**Proved Ore Reserves**” as such terms are used under NI 43-101, CIM Standards and the JORC Code, which standards differ from the standards that apply under SEC Industry Guide 7. Under United States standards, mineralization may not be classified as an “**Ore Reserve**” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. As such, certain information contained in this prospectus concerning descriptions of mineralization and resources and reserves under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by United States reporting companies. “**Inferred Mineral Resources**” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a Probable Ore Reserve, Measured Mineral Resource, Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States Shareholders are cautioned not to assume that all or any part of Measured, Indicated or Inferred Mineral Resources will ever be converted into Ore Reserves. United States Shareholders are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

CURRENCY AND EXCHANGE RATES

The Corporation presents its financial statements in Australian dollars. Unless otherwise indicated, in this prospectus all references to (i) “\$” or “AUD” are to Australian dollars; (ii) “US\$” and “USD” are to United States dollars; (iii) “C\$” are to Canadian dollars; and (iv) “GHS” are to Ghanaian cedi.

The Canadian dollar rates of exchange on April 4, 2017 were:

United States dollar ⁽¹⁾	Australian dollar ⁽¹⁾
C\$1.00=US\$0.7449	C\$1.00=\$0.9853

Note

⁽¹⁾ Bank of Canada average exchange rate for April 4, 2017 as reported on the Bank of Canada website.

FORWARD-LOOKING INFORMATION

Certain statements contained in this prospectus constitute forward-looking information under applicable Canadian securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “objectives”, “strategies”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in its prospectus should not be unduly relied upon.

In particular, this prospectus contains forward-looking statements pertaining to the following:

- Mineral Resource estimates;
- targeting additional Mineral Resources and expansion of deposits;
- the Corporation's expectations, strategies and plans for the Ghanaian Projects, including the Corporation's planned exploration activities;
- the amount of funds required to fund the development of the mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale mining licences;
- the results of future exploration and drilling and estimated completion dates for certain milestones;
- successfully adding or upgrading Mineral Resources and successfully developing new deposits;
- the timing, receipt and maintenance of approvals, licences and permits from the Ghanaian government and from any other applicable government, regulator or administrative body;
- future financial or operating performance and condition of the Corporation and its business, operations and properties; and
- any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

The actual results could differ materially from those anticipated in these forward-looking statements or information as a result of the risk factors set forth below and elsewhere in this prospectus:

- mineral exploration, development and operating risks;
- estimation of mineralization, resources and reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;
- operational risks;
- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- environmental bonds;
- conflicts of interest;
- risks of operating in Ghana;
- government policy changes;
- ownership risks;
- permitting and licencing risks;
- artisanal miners;
- difficulty in enforcement of judgments;
- market conditions;
- stress in the global economy;
- current global financial condition;
- reliance on key personnel;
- dilution risk;
- exchange rate and currency risks;
- commodity prices;
- other factors discussed under "*Risk Factors*"; and

- other risks and uncertainties described elsewhere in this prospectus.

Although the forward-looking statements contained in this prospectus are based upon assumptions which the Corporation believes to be reasonable, the Corporation cannot assure holders or prospective purchasers of Ordinary Shares that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this prospectus, the Corporation has made assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; royalty rates; future tax rates; future operating costs; availability of future sources of funding; ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. The Corporation has included the above summary of assumptions and risks related to forward-looking information provided in this prospectus in order to provide holders and prospective purchasers of Ordinary Shares with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom. These forward-looking statements are made as of the date of this prospectus and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

PRESENTATION OF FINANCIAL INFORMATION

The Corporation's financial statements and other financial information included in this prospectus have been prepared in accordance with IFRS.

PROSPECTUS SUMMARY

The following is a summary of this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Corporation

The Corporation is an Australian corporation existing under the Australian Corporations Act 2001 (Commonwealth of Australia) (the “**Corporations Act**”). The Corporation’s subsidiaries as follows:

Subsidiaries of Cardinal Resources Limited	Country of incorporation	Percentage owned %	
		2016	2015
Cardinal Resources (Australia) Pty Ltd	Australia	100%	100%
Cardinal Resources Ghana Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%
Cardinal Namdini Mining Limited	Ghana	100%	_(1)

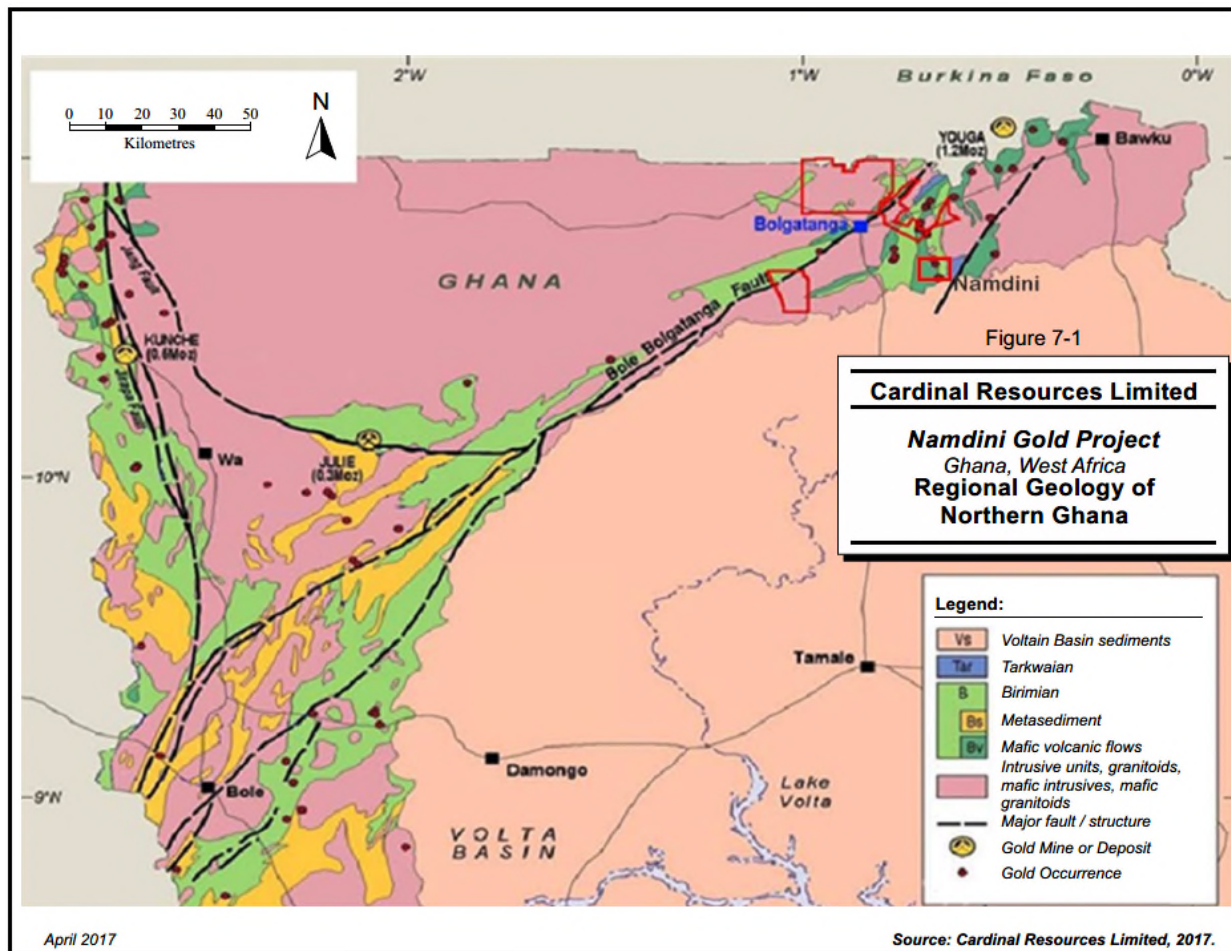
Note

(1) Cardinal Namdini Mining Limited was incorporated in 2016.

Overview of the Business

The principal activity of the Corporation (and its subsidiaries) is gold exploration in Ghana. The Corporation holds interests in five tenements prospective for gold mineralization in Ghana in two NE-SW trending Paleo-Proterozoic granite-greenstone belts: the Bolgatanga Project and the Namdini Project, which are, respectively, located within the Nangodi and Bole-Bolgatanga Greenstone Belts in northeast Ghana, and the Subranum Project, which is located within the Sefwi Greenstone Belt in southwest Ghana. The main focus of activity is the Namdini Project where an initial resource of 931,000 ounces of indicated resources and 3,629,000 ounces of inferred resources of gold has been established. The maps that follow show the location of the Namdini Project and the Corporation’s other properties in Ghana. See “*Business of the Corporation*”.





The following table provides selected resource information on the Namdini Project. See “*The Namdini Project*”, “*Forward-Looking Information*” and “*Risk Factors*”.

Summary of Mineral Resources
Cardinal Resources Ltd. – Namdini Project

Category	Tonnage (000 t)	Grade (g/t Au)	Contained Metal (000 oz Au)
Indicated	23,864	1.21	931
Inferred	100,149	1.13	3,629

Notes

1. JORC (2012) Code was followed for Mineral Resources. RPA has reconciled the Mineral Resources to CIM Definition Standards (2014) and there are no material differences.
2. Mineral Resources are estimated at a cut-off grade of 0.5 g/t Au constrained by a preliminary pit shell.
3. Mineral Resources are estimated using a long-term gold price of US\$1,500 per ounce.
4. Incorporates drill holes completed as of December 2, 2016 (up to and including NMDD061).
5. Numbers may not add due to rounding.

Selected Financial Information

The following table sets out selected financial information from the Corporation's unaudited interim financial statements for the six months ended December 31, 2016 and audited annual financial statements for the financial years ended June 30, 2016, 2015 and 2014.

	Six months ended December 31, 2016	Financial year ended June 30, 2016	Financial year ended June 30, 2015	Financial year ended June 30, 2014
Revenue (\$)	53,764	43,706	5,269	21,827
Administration expenses (\$)	(1,066,532)	(2,090,910)	(616,772)	(566,432)
Exploration and evaluation expenditure (\$)	(6,237,423)	(7,182,584)	(2,143,615)	(1,946,496)
Loss after income tax (\$)	(7,319,351)	(9,322,373)	(3,495,726)	(9,965,348)
Basic and diluted loss per Ordinary Share (\$)	(0.03)	(5.55)	(3.82)	(13.58)
Total assets (\$)	19,133,568	5,661,536	1,351,751	2,277,557
Total liabilities (\$)	1,692,945	1,713,467	368,148	127,366
Net assets (\$)	17,440,623	3,948,069	983,603	2,150,191

See "Selected Financial Information".

Risk Factors

Prospective investors in the Ordinary Shares should carefully consider the information set forth under the heading "Risk Factors" and the other information included in this prospectus before deciding to invest in the Ordinary Shares. Some of the risks relating to the Corporation's business and the Ordinary Shares are summarized as follows:

- mineral exploration, development and operating risks;
- estimation of mineralization, resources and reserves;
- environmental, health and safety regulations of the resource industry;
- competitive conditions;
- operational risks;
- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- environmental bonds;
- conflicts of interest;
- risks of operating in Ghana;
- government policy changes;
- ownership risks;
- permitting and licencing risks;
- artisanal miners;

- difficulty in enforcement of judgments;
- market conditions;
- stress in the global economy;
- current global financial condition;
- reliance on key personnel;
- dilution risk;
- exchange rate and currency risks;
- commodity prices;
- other factors discussed under “*Risk Factors*”; and
- other risks and uncertainties described elsewhere in this prospectus.

In assessing the risks of an investment in the Ordinary Shares, prospective investors in Ordinary Shares should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Corporation. **An investment in Ordinary Shares is suitable for only prospective purchasers who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Prospective purchasers of Ordinary Shares should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Ordinary Shares.** Prospective investors in Ordinary Shares should carefully consider the information set out under “*Risk Factors*” and “*Business of the Corporation*” and the other information in this prospectus.

THE CORPORATION

Cardinal Resources Limited was incorporated as Heguy Resources Limited under the Corporations Act on November 11, 2010 and changed its name to Ridge Resources Limited (“**Ridge**”) on May 9, 2011 and then to Cardinal Resources Limited on December 27, 2012. The Corporation’s head and registered office is at Suite 1, 28 Ord Street, West Perth, Australia, 6005. The Corporation also maintains an office in Canada at The Exchange Tower, Suite 1822, 130 King Street West, Toronto, Ontario, M5X 1E3.

On August 27, 2012, Ridge announced that it had entered into an Implementation Agreement with Cardinal Resources Limited, whereby Ridge would acquire 100% of the share capital of Cardinal. Ridge completed the acquisition of Cardinal Resources Limited on December 27, 2012 and subsequently changed its name to Cardinal Resources Limited.

The Corporation’s business as Ridge was operating as a Western Australian mineral exploration company. Since December 27, 2012, the Corporation’s business has been to explore and develop its Ghanaian Projects, which consist of the Namdini Project, the Bolgatanga Project and the Subranum Project.

As of April 4, 2017, the Corporation has 9 employees. The Corporation’s subsidiaries are as follows:

Subsidiaries of Cardinal Resources Limited	Country of incorporation	Percentage owned %	
		2016	2015
Cardinal Resources (Australia) Pty Ltd	Australia	100%	100%
Cardinal Resources Ghana Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%
Cardinal Namdini Mining Limited	Ghana	100%	— ⁽¹⁾

Note

⁽¹⁾ Cardinal Namdini Mining Limited was incorporated in 2016.

For more information regarding the ownership of and Cardinal’s interests in, the Ghanaian Projects, please see “*The Namdini Project*” and “*Other Projects*”.

Listing and Trading of Ordinary Shares and Reporting Issuer Status in Canada

The Ordinary Shares are currently listed and posted for trading on the ASX under the symbol “CDV”. The closing price of the Ordinary Shares on the ASX on April 4, 2017 was \$0.595. The Corporation cannot provide any assurances as to the price at which the Ordinary Shares will trade.

This prospectus is being filed with the Ontario Securities Commission (the “**OSC**”) to enable the Corporation to become a “reporting issuer” pursuant to the applicable securities legislation in the Province of Ontario.

BUSINESS OF THE CORPORATION

The principal activity of the Corporation (and its subsidiaries) is gold exploration in Ghana. The Corporation holds prospective tenements for gold mineralization in Ghana in two NE-SW trending Paleo-Proterozoic granite-greenstone belts: the Bolgatanga Project and the Namdini Project, which are located, respectively, within the Nangodi and Bole-Bolgatanga Greenstone Belts in northeast Ghana, and the Subranum Project, which is located within the Sefwi Greenstone Belt in southwest Ghana.

The following summary sets out the notable events in the Corporation's history since the beginning of the financial year ended June 30, 2014:

On May 25, 2017, 476,247 Ordinary Shares were issued to Mr. Julian Barnes for services provided to the Corporation. The issue was approved at the Corporation's annual general meeting held on November 7, 2016.

On May 24, 2017, Sarah Shipway was appointed interim chief financial officer of the Corporation.

On April 21, 2017, the Corporation announced the completion of a share placement (the "**April 2017 Placement**") of 45,498,266 Ordinary Shares to sophisticated and professional investors at an issue price of \$0.50 per Ordinary Share for aggregate gross proceeds of \$22,799,133.

On April 12, 2017, following the receipt of Shareholder approval, 26,000,000 unlisted options ("**Unlisted Options**") were issued to Directors and certain officers of the Corporation. Such Unlisted Options vest in three tranches upon the achievement of certain specified performance criteria, have an exercise price of \$0.50 and expire on April 12, 2022.

On March 21, 2017, Cardinal reported a second interim metallurgical update for the Namdini Project.

On February 28, 2017, the Corporation announced that BDO (WA) Pty Ltd had been appointed as auditor for the Company following the resignation of Greenwich & Co Pty Ltd as the Corporation's auditor.

On February 7, 2017, Cardinal reporting drilling assay results at the Namdini Project that demonstrated resource extensions to the east and south and at depth.

On February 6, 2017, the Corporation announced that Mr. Erik Palmbachs had been appointed as the Corporation's chief financial officer, effective March 1, 2017. Mr. Palmbachs's appointment as CFO ended on May 24, 2017.

On February 2, 2017, Cardinal reported an interim metallurgical update for the Namdini Project identifying a number of conventional gold recovery techniques to enhance recoveries.

On January 4, 2017, the Corporation announced that Mr. Bruce Lilford had been appointed Project Manager at the Namdini Project, effective January 3, 2017.

On November 28, 2016, 476,247 Ordinary Shares were issued to Mr. Julian Barnes for services provided to the Corporation. The issue was approved at the Corporation's annual general meeting held on November 7, 2016.

On November 7, 2016, Cardinal reported an initial resource estimate for the Namdini Project of 3.8 million ounces of inferred gold resources and 0.25 million ounces of indicated gold resources, calculated in accordance with the JORC Code.

On November 7, 2016, the Corporation announced that Mr. Kevin Tomlinson had been appointed to the Board and would serve as non-executive chairman, that Mr. Mark Connelly, who had previously served as non-executive chairman, would remain as a non-executive Director and that Mr. Mark Thomas, previously a non-executive Director, had retired as a Director.

Between August 26, 2016 and October 28, 2016, 1,435,000 Listed Options were exercised.

On September 5, 2016, 50 Class B performance shares (the "**Class B Performance Shares**") were converted to 5,000,000 Ordinary Shares when the Corporation satisfied the vesting requirement of the Class B Performance Shares.

On July 19, 2016, the Corporation announced that it had issued 55,518,670 fully paid Ordinary Shares at a price of \$0.29 per Ordinary Share as the first part of a placement (the “**July 2016 Placement**”). On August 26, 2016, the Corporation announced the completion of the second tranche of the July 2016 Placement and that, following shareholder approval at the general meeting of Shareholders, 19,481,330 fully paid Ordinary Shares had been issued at a price of \$0.29 per Ordinary Share.

On March 8, 2016, the Corporation confirmed it had successfully completed a capital raising to sophisticated and institutional investors to issue 47,333,310 fully paid Ordinary Shares at \$0.12 per Ordinary Share (“**March 2016 Placement**”). 4,666,668 fully paid Ordinary Shares forming part of the March 2016 Placement were issued on May 9, 2016 after being approved at the Corporation’s meeting of Shareholders held on April 27, 2016. On May 9, 2016, the Directors of the Corporation (namely, Messrs. Archie Koimtsidis, Malik Easah and Mark Thomas) purchased 1,750,002 fully paid Ordinary Shares for proceeds to the Corporation of approximately \$210,000, on the same terms and conditions as the March 2016 Placement.

On November 19, 2015, the Corporation announced the appointment of Mr. Mark Connelly as the Non-Executive Chairman. Mr. Connelly replaced Mr. Alec Pismiris, who resigned from the Board.

On September 21, 2015, the Corporation confirmed it had successfully completed a capital raising to sophisticated and institutional investors to issue 52,215,000 fully paid Ordinary Shares at \$0.10 per Ordinary Share, together with one free attaching listed option (each, a “**Listed Option**”) for every two Ordinary Shares subscribed for (the “**September 2015 Placement**”). The first tranche of such placement was completed on September 25, 2015, when 28,164,816 Ordinary Shares were issued to raise a total of \$2,816,481. On November 27, 2015, following the receipt of shareholder approval, the second tranche of Ordinary Shares and all the Listed Options that were part of the September 2015 Placement were issued. The second tranche included the issue of 10,000,000 Ordinary Shares and 5,000,000 Listed Options to Macquarie Bank Limited (“**Macquarie**”). On November 27, 2015 the Directors of the Corporation (namely, Messrs. Alec Pismiris, Archie Koimtsidis, Malik Easah, Simon Jackson and Mark Thomas) purchased 8,117,116 Ordinary Shares and 4,058,558 Listed Options for proceeds to the Corporation of approximately \$812,000, on the same terms and conditions as the September 2015 Placement.

On September 1, 2015, Cardinal announced that Mark Thomas and Simon Jackson had been appointed as non-executive Directors of the Corporation.

On June 5, 2015, the Corporation completed a placement to sophisticated investors to raise \$947,975 through the issue of 14,584,231 fully paid Ordinary Shares with a free attaching Listed Option for every Ordinary Share subscribed for (“**June 2015 Placement**”) at a price of \$0.065. On August 7, 2015 the Directors of the Corporation (namely, Messrs. Alec Pismiris, Archie Koimtsidis and Malik Easah) purchased 1,838,462 fully paid Ordinary Shares and 1,838,462 Listed Options to raise \$119,500, on the same terms and conditions as the June 2015 Placement.

On June 15, 2015, the Corporation announced that the Executive Director of Cardinal, Mr. Marcus Michael, had passed away.

On January 22, 2015, the Corporation advised that it had completed a non-renounceable entitlement issue of options. The offer of one Listed Option for every two Ordinary Shares held by eligible holders of Ordinary Shares on October 1, 2014 at an issue price of \$0.01 per Listed Option. The Corporation raised approximately \$481,183 before costs from the offer.

On September 18, 2014, the Corporation confirmed it had successfully completed a capital raising to sophisticated and institutional investors and had issued 18,000,000 fully paid Ordinary Shares, together with one free attaching Listed Option for every Ordinary Share subscribed for, exercisable at \$0.15 on or before September 30, 2019 (the “**September 2014 Placement**”) for gross proceeds of \$900,000. The Listed Options issued as part of the September 2014 Placement were issued on November 10, 2014 after

the Shareholders approved the issuance thereof at a meeting of Shareholders held on November 3, 2014.

On November 10, 2014, the directors of the Corporation purchased 4,880,000 fully paid Ordinary Shares and 4,880,000 Listed Options for gross proceeds of \$244,000, on the same terms and conditions as the September 2014 Placement.

On June 17, 2014, the Corporation announced that Mr. Klaus Echhof has resigned as non-executive chairman of the Corporation.

THE GHANAIAN MINING INDUSTRY

Mining in Ghana

Ghana

Ghana is situated on the west coast of Africa, approximately 600 km north of the Equator on the Gulf of Guinea. Accra, the capital city of Ghana, is located almost exactly on the Prime Meridian. The former British colony changed its name from the Gold Coast to Ghana on achieving independence on March 6, 1957. Ghana is now a republic with a population of approximately 25 million people and a democratically elected government. English remains the official and commercial language.

The total land area of the country is approximately 238,000 km² and the topography is relatively flat. Ghana has a tropical climate with two rainy seasons and two dry seasons in the southern sector each year. The climate condition in the Upper East Region of Ghana, where the Namdini Project and the Bolgatanga Project are located, is tropical with a rainy season from May to October and a long dry season with virtually no rainfall from October to April. Temperatures range between a maximum of 40°C in March/April and a minimum of 12°C in December. The natural vegetation in the Western Region, where the Subranum Project is located, is moist tropical forest with a majority of the land converted to agricultural pursuits. The physiography of the Namdini Project area is primarily savanna grassland characterized by short scattered drought-resistant trees, scattered scrub, and grass that gets burnt by bushfire or scorched by the sun during the long dry season. The climate is very dry. The most common trees are the Sheanut, Dawadawa, and Baobab.

The Ghanaian legal system is generally modelled after and based on British common law. The laws of Ghana include the Constitution, national laws passed by Parliament (or under authority granted by Parliament) and the common law of Ghana. The common law of Ghana includes customary rules which apply to particular communities in Ghana.

The Corporation has found Ghana to be stable (politically and economically) over the time in which it has engaged in operations in Ghana.

Mining Rights

The Constitution of Ghana vests title in every mineral in its natural state to the President of Ghana on behalf of, and in trust for, the people of Ghana. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Ghana requires an appropriate mineral right to be issued by the Government of Ghana acting through the Minister responsible for Lands and Natural Resources (the “**Minister**”). The Minister administers, promotes and regulates Ghana’s mineral wealth through the Minerals Commission, a governmental organization established in accordance with the Minerals Commission Act 1993 (Act 450) and the Minerals and Mining Act 2006 (Act 703) (the “**2006 Mining Act**”).

Pursuant to the 2006 Mining Act, a number of regulations were passed in 2012 to clarify and implement provisions of the 2006 Mining Act. These regulations relate to matters such as licensing, local content,

technical issues, mineral right holding costs, mine support services and resettlement and payment of compensation to persons impacted by mining operations.

The 2006 Mining Act provides for a number of categories of licences.

A reconnaissance licence confers on the holder the right to search for a specific mineral or commodity within the licence area by geochemical and photo-geological surveys or other remote sensing techniques. Except as otherwise provided in the licence, it does not permit drilling, excavation or other sub-surface techniques. A reconnaissance licence is normally granted for up to one year and may be renewed by the Minister from time to time for periods up to one year at a time upon application by the holder. The size of the area over which a reconnaissance licence may be granted is limited to 5,000 contiguous blocks or 1,050 km².

A corporate body duly registered in Ghana can apply to the Minerals Commission for a renewable exploration (prospecting) licence granting exclusive rights to explore for a particular mineral in a selected area for an initial period not exceeding three years. A prospecting licence may be renewed for a maximum of two further terms of up to three years each, subject to surrender of a portion of the area.

When exploration has successfully delineated a mineral reserve, an application may be made to the Minerals Commission for conversion to a mining lease, granting a company the right to produce a specific product from the concession area, normally for a period of 30 years or a lesser period that may be agreed upon with the applicant.

Once a mineral right is issued to an entity by the Government of Ghana, Ghanaian mining laws prevent that mineral right from being transferred, assigned or mortgaged by the licensee or mineral right holder without the prior written approval of the Minister. The Ghana Minerals Commission is also required to maintain a public register of all applications, grants, variations, transfers, suspensions and cancellations of such licences or mineral rights. Official searches may be conducted in the public register to obtain information regarding any mineral right granted by the Government of Ghana.

The 2006 Mining Act requires that any person who intends to acquire a controlling share of the equity of any mining company that has been granted a mineral right must first give notice of its intent to the Minister and also obtain the no objection of the Minister prior to acquiring a controlling share.

Under the 2006 Mining Act, the Government of Ghana is entitled to a 10% free carried interest in all companies that hold mining leases. The 10% free carried interest entitles the Government of Ghana to a pro-rata share of future dividends. The Government of Ghana has no obligation to contribute development capital or to operating expenses.

The Government of Ghana also has the right to acquire an additional interest in such companies for a price fixed by agreement.

Under the 2006 Mining Act, the Government of Ghana is empowered to acquire a special or “golden” share in any mining company. The special share would constitute a separate class of shares with such rights as the Government of Ghana and the mining company might agree. Though deemed a preference share, it could be redeemed without any consideration or for a consideration determined by the mining company and payable to the holder on behalf of the Government of Ghana.

In the absence of any such agreement, the special share would have the following rights:

- it would carry no voting rights but the holder would be entitled to receive notice of, and to attend and speak at, any general meeting of the members or any separate meeting of the holders of any class of shares;

- it could only be issued to, held by, or transferred to the Government of Ghana or a person acting on behalf of the Government of Ghana;
- the written consent of the holder would be required for all amendments to the organizational documents of the company, the voluntary winding-up or liquidation of the company, or the disposal of any mining lease, or the whole or any material part of the assets of the company;
- it would not confer a right to participate in the dividends, profits or assets of the company or a return of assets in a winding-up or liquidation of the company; and
- the holder of a special share may require the company to redeem the special share at any time for no consideration or for a consideration determined by the company.

To the Corporation's knowledge, for as long as it has been operating in Ghana, no mining company has been requested to issue a special share.

The Government of Ghana has a pre-emptive right to purchase all gold and other minerals produced by mines in Ghana. The purchase price would be agreed by the Government of Ghana and the mining company, or the price established by any gold hedging arrangement between the company and any third party approved by the Government of Ghana, or the publicly quoted market price prevailing for the minerals or products as delivered at the mine or plant where the right of pre-emption was exercised. The Corporation understands that Government of Ghana has indicated it does not intend to take pre-emptive action pursuant to its right to purchase gold or other minerals so long as mining companies sell gold in accordance with certain procedures approved by the Bank of Ghana.

Ghanaian Royalties and Taxes

Ghanaian law sets mineral royalties at a flat rate of 5% of mineral revenues. The corporate income tax rate is 35% of taxable income for mining companies. Capital expenditures (tax depreciation) are deductible at a flat rate of 20% per year over a five-year period.

The tax regulations disallow expenditures from one mining area as a deduction from revenues in a separate mining area belonging to the same company in determining the company's taxable income for tax purposes.

Under the 2006 Mining Act, the Government of Ghana may enter into a stability agreement with the holder of a mining lease, to ensure that the holder of the mining lease will not, for a period not exceeding 15 years from the date of the agreement,

1. be adversely affected by a new enactment, order, instrument or other action made under a new enactment or changes to an enactment, order, instrument that existed at the time of the stability agreement, or other action taken under these that have the effect or purport to have the effect of imposing obligations upon the holder or applicant of the mining lease, and
2. be adversely affected by subsequent changes to:
 - (a) the level of and payment of customs or other duties relating to the entry of materials, goods, equipment and any other inputs necessary to the mining operations or project,
 - (b) the level of and payment of royalties, taxes, fees and other fiscal imports, and
 - (c) laws relating to exchange control, transfer of capital and dividend remittance.

A stability agreement entered into is subject to ratification by the Parliament of Ghana.

In 2011, the Government of Ghana established a tax stability renegotiation team to review the existing tax stability agreements of some major mining companies operating in Ghana.

Environmental and Other Laws and Regulations

All phases of mineral exploration, project development, and operations are subject to environmental laws and regulations. These laws and regulations may define, among other things, air and water quality standards, waste management requirements, and closure and rehabilitation obligations. In general, environmental legislation is evolving to require stricter operating standards, more detailed socio-economic and environmental impact assessments for proposed projects, and a heightened degree of accountability of companies and their officers, directors, and employees for corporate social responsibility, and health and safety. Changes in environmental regulations, and the way they are interpreted by the regulatory authorities, could affect the way the Corporation operates, resulting in higher environmental and social operating costs that may affect the viability of operations.

Environmental matters in Ghana, including those related to mining, fall primarily under the oversight of the Environmental Protection Agency (“EPA”), as well as the Minerals Commission and the Inspectorate Division of the Minerals Commission. The EPA has laws and regulations that govern, among other things, environmental and socio-economic impact assessments and statements, environmental management plans, emissions into the environment, environmental auditing and review, and mine closure and reclamation, to which the Corporation’s operations are subject. Additional provisions governing mine environmental management are provided in the 2006 Mining Act and the various Minerals and Mining Regulations which came into force in 2012.

The Corporation notes a continuing trend toward substantially increased environmental requirements and evolving corporate social responsibility expectations in Ghana, including the requirement for more permits, analysis, data gathering, community hearings, and negotiations than have been required in the past for both routine operational needs and for new development projects. There has been a trend to longer lead times in obtaining environmental permits.

The Corporation’s mineral exploration activities and anticipated development, mining and processing operations will also be subject to various laws governing prospecting, development, production, taxes, labor standards, occupational health and safety, land rights of local people and other matters. New rules and regulations may be enacted or existing rules and regulations may be modified and applied in a manner that could have an adverse effect on the Corporation’s financial position and results of operations.

The Corporation established objectives to achieve regulatory requirements in its exploration, development, operation, closure, and post-closure activities so that its employees, the local environment, and its stakeholder communities are protected and that the next land use contributes to the sustainability of the local economy. In order to meet its objectives, the Corporation:

- educates its managers so that they are committed to creating a culture that makes social and environmental matters an integral part of short-term and long-term operations and performance management systems;
- works with its employees so they understand and accept environmental and social policies and procedures as a fundamental part of the business;
- established, and continues to improve, operating standards and procedures that aim to meet or exceed requirements in relevant laws and regulations, the commitments made in its environmental impact statements, environmental and socio-economic management plans, rehabilitation and closure plans, and any international protocols to which the Corporation is a signatory;

- incorporated environmental and human rights performance requirements into relevant contracts;
- provides training to employees and contractors in environmental matters;
- regularly prepares, reviews, updates, and implements site-specific environmental management and rehabilitation and closure plans;
- works to progressively rehabilitate disturbed areas in conformance with site-specific environmental plans;
- consults with local communities and regulators to communicate its environmental management policies and procedures;
- regularly reviews its environmental performance;
- intends to complete resettlement projects in accordance with the International Finance Corporation Performance Standard 5 on land acquisition and involuntary resettlement when required; and
- publicly reports social, health, safety and environmental performance.

THE NAMDINI PROJECT

Cardinal currently holds its interest in the Namdini Project through an agreement dated July 23, 2014 (as amended, the “**Savannah Agreement**”) between Savannah Mining Ghana Limited (“**Savannah**”) and Cardinal Mining Services Limited (“**CMS**”), a wholly-owned subsidiary of Cardinal, and agreements with the holders of small scale mining licences within the area comprising the Namdini Project. Pursuant to the Savannah Agreement, CMS and Savannah agreed that CMS would have an exclusive right of first refusal to provide technical and financial support towards the development of the mining rights now comprising the Namdini Project, in exchange for which CMS would be entitled to “the entire gross mineral values” won from any mining licence in respect of which CMS provided support.

On May 11, 2017, Savannah and CMS entered into an amending agreement to the Savannah Agreement that, among other things, defines “entire gross mineral values” as “the amount equal to the difference of (a) the gross proceeds received by or on behalf of, or applied for the benefit of, SML from the sale or other disposal of any mineral or metallic product extracted and recovered from the area covered by the Mining License(s) to any party other than CMS or any affiliate of CMS less (b) any taxes or royalties that were paid by SML (other than any such taxes or royalties that were paid by SML using funds provided by CMS or an affiliate of CMS).”

Pursuant to the Savannah Agreement, Savannah has entered into Sale and Purchase Agreements and licence relinquishment agreements with holders of small scale mining licences within the area of the Namdini Lease (as defined below) where the holders of these small-scale mining licences will have surrendered their small-scale licenses and all mineral rights to form part of the proposed Namdini Lease area. The small-scale licences are in the process of being surrendered. The Savannah Agreement has an indefinite term, and neither party is entitled to assigned its rights or obligations under the Savannah Agreement.

Malik Easah, an executive director of Cardinal, is also the sole shareholder and director of Savannah. Savannah’s sole business is the Savannah Agreement. Pursuant to an Option & Loan Agreement made in 2015 (the “**Option Agreement**”) between Mr. Easah, Savannah and CMS, CMS holds an option to purchase all the outstanding shares of Savannah from Mr. Easah for US\$1.00 and holds all validly executed and irrevocable documents to give effect to the purchase upon exercise of the option granted under the Option Agreement. The Option Agreement also gives CMS the option to purchase all mining leases held by Savannah for US\$1.00.

Pursuant to the Option Agreement, Savannah has agreed to hold any mining licences applied for, or granted in favour, of Savannah as trustee for CMS pending CMS's exercise of its option to purchase the shares of Savannah or its exercise of its option to purchase such mining licences. The Option Agreement has an indefinite term, and may be terminated by a non-breaching party in the event that a party is in breach of the agreement and such breach remains uncured for 90 days. CMS is entitled to assign its rights and obligations under the Option Agreement in its absolute discretion and the other parties to the Option Agreement are not permitted to assign their rights or obligations thereunder without the written consent of CMS.

Cardinal has received advice from Ghanaian counsel that, if Mr. Easah did not comply with his obligations under or purported to terminate the Option Agreement or the Savannah Agreement, Cardinal may enforce the Option Agreement or the Savannah Agreement by obtaining a judgment for specific performance from a Ghanaian court.

The Minister signed a mining lease for Savannah (the “**Namdini Lease**”) on October 12, 2016 over an area of approximately 19.54 km² in the Dakoto area of the Talensi District Assembly in the Upper East Region of Ghana (see Figure 1). The Namdini Lease is for an initial period of fifteen years ending October 11, 2031. An application can also be submitted for an extension of the Namdini Lease if required. The Namdini Lease is currently being processed by the Ghana Government. Cardinal believes that the final registration of the Namdini Lease by the Ghana Government will be completed during the course of 2017.

There are 82 small scale mining licences within the area of the Namdini Lease. It is Cardinal's intention and expectation that Savannah will purchase all the small scale licences in the area covered by the Namdini Lease. To date, Savannah has purchased or obtained rights to purchase a significant number of these licences, including all such licences covering the areas that Cardinal considers material to the mineralization in the area covered by the Namdini Lease. Small scale licences held by Savannah are intended to be relinquished to the Minerals Commission at the appropriate time.

Upon final registration, approval and effectiveness of the Namdini Lease, Cardinal intends to direct Savannah to assign the Namdini Lease to Cardinal Mining Namdini Limited (“**CNM**”), a wholly-owned subsidiary of Cardinal, pursuant to the Option Agreement.

On May 11, 2017 Savannah, CMS, CNM and Mr. Easah signed an agreement (the “**Option Exercise Deed**”) giving effect to and providing for the assignment of the Namdini Lease to CNM. Pursuant to the Option Exercise Deed, the parties agreed that, upon receipt of a written direction in agreed form from CMS, Savannah would take all action and execute all instruments required to effect the assignment of all of Savannah's rights and obligations under the Namdini Lease to CNM. Under the Option Exercise Deed, CNM was also appointed as Savannah's attorney to do anything that it is obliged but has failed to do under the Option Exercise Deed or the Namdini Lease. The Option Exercise deed is for an indefinite term.

Under the 2006 Mining Act the indirect transfer of ownership of a mining lease is subject to the non-objection of the Minister and direct assignment of a mining lease requires the consent of the Minister. Cardinal does not anticipate that any objection will be made by the Minister to the transfer of the Namdini Lease from Savannah to Cardinal Mining Namdini Limited.

For additional information, please see “*Management's Discussion & Analysis – MD&A for the Three and Nine Months Ended March 31, 2017 – Related Party Transactions*”, “*Related Party Transactions*” and “*Material Contracts*”.

The following is the description of the Namdini Project. The information in this section regarding the Namdini Project is summarized or extracted from the “Technical Report on the Namdini Gold Project, Ghana, West Africa” dated April 5, 2017 (the “**Technical Report**”), prepared by Ian T. Blakley, P.Geo., Principal Geologist of RPA, Sean D. Horan, P. Geo., Senior Geologist of RPA, and Kathleen Ann Altman, Ph.D., P.E., Principal Metallurgist of RPA, each of whom is a “Qualified Person” within the meaning of NI 43-101 and a “Competent Person” as such term is defined in the JORC Code. Portions of the following

information are based on the assumptions, qualifications, procedures and reliances that are not fully described herein, and the following is qualified in its entirety by the full text of the Technical Report, which is available on Cardinal's SEDAR profile, located at www.sedar.com.

RPA was retained by Cardinal to prepare an independent Technical Report on the Namdini Project. The purpose of the report is to disclose an updated Mineral Resource estimate. RPA visited the property between December 16 and December 20, 2016.

Property Description, Location and Access

The Namdini Project is located in the northeastern region of Ghana approximately 50 km southeast of the regional centre of Bolgatanga, and close to the southern border of Burkina Faso. The Namdini Project area is located approximately six kilometres southeast of the operating Shaanxi Mining Company Limited's underground gold mine. The Universal Transverse Mercator (UTM) co-ordinates for the approximate centre of the Namdini Project are 756400.0 m N, 1177050.0 m E in WGS84/NUTM30 projection or 10°38' 21" N Latitude and -0°39' 23" W Longitude. The nearest airport is located in Tamale, approximately a 2.5 hour drive south of Bolgatanga via 160 km of paved road on National Highway N10. Tamale, located approximately 450 km north of the capital city of Accra, Ghana, is serviced by daily one hour scheduled commercial flights. Total access time from the Accra to the Namdini Project is approximately four hours using a combination of air and road travel, and approximately 14 hours solely by road travel. Accra has direct flights to the United Kingdom, Europe, South Africa, and the Middle East via regularly scheduled international commercial carriers.

The Namdini Project area is readily accessible from Bolgatanga along paved highway followed by 15 km of well-travelled gravel roads. Access during the rainy season is slower due to waterlogged roads; however, the main access roads are passable year-round.

The Namdini Project, along with Cardinal's larger Bolgatanga Project, encompasses approximately 660 km² of Paleo-Proterozoic greenstone belts in North Eastern Ghana. The Bolgatanga Project includes the Kungongo and Bongo Reconnaissance Licences and the Ndongo Prospecting Licence. None of the Bolgatanga Project tenements are contiguous with the Namdini Project. For a description of Cardinal's mining licences and royalty obligations, please see "*The Ghanaian Mining Industry – Ghanaian Royalties and Taxes*" and the description of Cardinal's interest in this section of the prospectus.



Figure 1: Namdini Project

Climate

The mean annual temperature in Bolgatanga is 28.3°C. The climate is characterized by one rainy season between May and October where the rainfall is erratic spatially and in duration. The mean annual rainfall during this period is between 800 mm and 1,100 mm. Temperatures during this period can be as low as 20°C at night, but can reach more than 35°C during the daytime.

There is a long spell of dry season from December to late January, characterized by cool, dry and dusty Harmattan winds. Temperatures during this period can be as low as 15°C at night and as high as 40°C during the daytime. Humidity is, however, very low.

Climatic conditions have not affected Cardinal's exploration activities, nor would they be expected to materially affect any potential mining operations.

Local Resources

Ghana has long mining history and has experienced technical personnel including geologists and engineers. Exploration and mining supplies are readily available within Ghana.

There is a significant labour pool available for training and recruitment for any envisioned mining operation. The Namdini Project enjoys the support of local communities.

Existing Infrastructure

At the time of RPA's site visit, no Cardinal infrastructure was present at the Namdini Project site other than a Security Hut. Fuel supply for the drills is provided by diesel tankers. Fresh water is taken from a borehole located on the Namdini Project site. Cardinal maintains trails on the Namdini Project site in order to facilitate exploration and drilling activities.

Numerous historical trenches and adits, as well as organized artisanal gold mining sites, are located throughout the property and only approximately 5% of the permit area has been affected by these activities. Artisanal miners extract gold from the saprolite horizon, but also sink shafts as deep as 20 m to recover gold from quartz veins.

At the time of RPA's site visit, infrastructure at the Bolgatanga Project exploration office area included the following:

- A fenced and gated compound patrolled by security.
- A brick constructed administrative office building including kitchen and bedroom accommodations.
- Gated and fenced core processing area consisting of:
 - Outdoor roofed open core logging areas
 - Indoor core sawing area
 - Locked storage area for pulps and duplicates
- Gated and fenced core storage area consisting of:
 - Outdoor roofed core storage racks
 - Bulk density station
- Security office and camp support staff accommodation.

Power is distributed to Bolgatanga from the Ghanaian national transmission and distribution system based on 225 kV above ground transmission lines.

For any future development activities, it will be necessary to build all-weather access roads and a bridge, as well as infrastructure for sufficient power and water supplies. Cardinal's surface rights allow sufficient areas for potential processing plant sites, tailings storage areas, and waste disposal areas.

Physiography

The topography is generally flat with gently undulating terrain. The topography rises to the south where the area is overlain by the sediments. Elevation varies from 175 MASL to 250 MASL. The average elevation of the flat Savanah area is approximately 190 MASL.

The physiography of the Namdini Project area is primarily savanna grassland characterized by short scattered drought-resistant trees, scattered scrub, and grass that gets burnt by bushfire or scorched by the sun during the long dry season. The climate is very dry. The most common trees are the Sheanut, Dawadawa, and Baobab.

The White Volta River is located approximately seven kilometres south of the Namdini Project area. RPA is of the opinion that, to the extent relevant to the mineral project, there are sufficient surface rights and water.

History

The discovery of gold in this region occurred in late 1930s when a British businessman was shown some gold-bearing quartz veins at Nangodi by a local farmer. During the early 1960s, the Ghana Geological Survey Department carried out limited shallow drilling around prospects, which had been identified by earlier work in the 1930s. Again in the 1970s, some soil geochemistry and trenching were carried out over a 7 km stretch in the Nangodi area where most of the known prospects occur.

Driven by activity elsewhere in Ghana and Burkina Faso during the mid-1990s, numerous Canadian and Australian junior explorers started to explore the north of Ghana. In particular, the discovery of Youga deposit in Burkina Faso by International Gold Resources (“IGR”) is significant. During the same period in the mid-1990s, small-scale miners inundated the area as the traditional small-scale mining sites in southern Ghana were closed (Tarkwa, Obuasi, Konongo, etc.).

BHP was the first to conduct a major reconnaissance exploration program in the mid-1990s, covering most of the Nangodi area. Other groups that acquired prospecting concessions in the mid-1990s include IGR, Cluff Resources, Teberebie Goldfields, Ashanti Goldfields, and Africwest Gold. Renewed interest in the area, after the market downturn in 1997, began around 2004, with an increase in the gold price, and as a result of the development of mines on the Burkina Faso side of the border.

The Namdini Project was first discovered in September 2013 by prospecting. A small scale mining licence was approved in 2014 and reverse circulation (“RC”) drilling began shortly thereafter. Prior to Cardinal, no systematic exploration had been undertaken on the Namdini Project. Small scale artisanal mining began on the property circa 2013 following Cardinal's initial exploration activities.

Geological Setting and Mineralization

The Namdini Project covers the southern extension of the Nangodi Greenstone Belt. In 2016, geological consultants from Orefind conducted an on-site structural study and then developed a structural framework with controls on, and geometry of, the gold mineralization comprising the Namdini deposit.

Orefind concluded that the rock types comprising the Namdini Project include a steeply dipping Birimian sequence of inter-bedded foliated meta-sedimentary and meta-volcanic units, which have been intruded by a medium-grained granitoid and diorite. The southern part of the Namdini Project is covered by flat lying Voltaian Basin clastic sedimentary rocks that have been deposited unconformably on the Birimian sequence and postdate mineralization and the host sequence.

Underneath the weathering profile, from west to east across the Namdini Project area, the Birimian units include meta-sedimentary, meta-volcaniclastic, granitoid (tonalite), diorite, and meta-sedimentary. The meta-sedimentary and volcaniclastic rocks have been intensely altered with a pyrite-carbonate-muscovite-chlorite-quartz. Alteration is prevalent in the volcaniclastic rocks. Similarly, the tonalite is extensively altered and has been overprinted by silica-sericite-carbonate assemblages. The identity of carbonate alteration is difficult and is best described as iron-carbonate in the absence of petrological or geochemical characterization.

Mineralization in the Namdini Project area is associated with both the meta-volcano sedimentary rocks and tonalite.

In all rock types, the mineralization is accompanied by visible disseminated sulphides of pyrite and arsenopyrite in both the veins and wall rocks. In diamond drill core, the mineralized zones are visually distinctive due to the presence of millimetre to centimetre wide quartz-carbonate veins that are commonly folded and possess yellow-brown sericite-carbonate selvages.

Visible gold occurs in strongly altered granite and is associated with sub-millimetre wide silica-sericite shears.

Deposit Types

The Namdini gold deposit appears to be a typical Birimian gold deposit, hosted in a mixture of meta-sediments, volcanoclastics and intrusives. Birimian rocks are composed of granitic-gneiss terranes separated by linear greenstone belts of meta-sedimentary and meta-volcanic rocks.

Exploration

All exploration work on the Namdini Project has been completed by Cardinal. A field office, including core logging and storage facilities, is located in Bolgatanga.

The primary objectives of Cardinal's exploration strategy are to:

1. Improve understanding of the extent and style of mineralization in order to successfully diamond drill and to increase the size and confidence level of the Mineral Resources for Namdini.
2. Optimize deposit models and use grassroots exploration methods to search for gold and its pathfinder elements in order to potentially locate other deposits throughout Northern Ghana.

The Namdini Project was first discovered in September 2013 by prospecting. A small scale Mining Licence was approved in 2014 and RC drilling began shortly thereafter. After reviewing initial results, Cardinal drilled additional RC holes in the same licence area. After approximately 88 RC holes, Cardinal had sufficient confidence in the potential size of the Namdini Project that it stepped out 600 m north along strike and drilled a surface diamond drill hole (NMDD002) that intersected 87 m at 1.08 g/t Au and numerous other significant intersections.

Drilling

All exploration at the Namdini Project has been completed by Cardinal. Following the discovery drilling in 2013, an initial program of detailed RC drilling was undertaken in one small area, followed by a program of sectional diamond drilling. A number of holes have RC collars and diamond drill tails. During RPA's site visit only diamond drilling was occurring. The description of RC procedures has been taken from Cardinal's SOP Manual as well as from Pittuck and Arthur (2015). Table 1 presents a summary of the drilling completed to December 2, 2016.

Table 1

Drilling Summary to December 2, 2016

Cardinal Resources Limited – Namdini Project

Year	RC		Diamond Drill		RC Collar / DDH Tail		Total	
	No.	Metres	No.	Metres	No.	Metres	No.	Metres
2014	45	4,815.00	-	-	-	-	45	4,815.00
2015	42	4,619.30	5	1,656.55	5	1,184.68	52	7,460.53
2016	19	2,540.00	56	14,163.32	14	3,295.42	89	19,998.74
Total	106	11,974.30	61	15,819.87	19	4,480.10	186	32,274.27

Sampling, Analysis and Security

Cardinal's grassroots exploration procedures are generally focused on staged exploration in order to achieve quick and effective means of sampling vast areas of land for the purpose of generating targets for further detailed work. In RPA's opinion, the drilling procedures employed by Cardinal conform to industry best practice and the resultant drilling pattern is sufficient to interpret the geometry and the boundaries of the gold mineralization with confidence. All sampling was conducted by qualified personnel under the direct supervision of appropriately qualified Senior Geologists, and was managed by an experienced Cardinal Exploration Manager.

In April 2016 Cardinal revised diamond drill core sampling practices to collect quarter core rather than half core samples. The rationale to use the quarter core approach was to enable quarter core to be available for metallurgical testing on a routine basis whilst retaining half core as reference in the core trays.

In mid-2016, Cardinal redirected its sample submissions from SGS Ouagadougou Laboratory in Burkina Faso to SGS Tarkwa Laboratory in Ghana. RPA has not visited either laboratory. The independent SGS commercial geochemical analytical laboratories in Tarkwa and Ouagadougou are officially recognized by the South African National Accreditation System (SANAS) for meeting the requirements of the ISO/IEC 17025 standard for specific registered tests for the minerals industry.

As part of the Cardinal Quality Assurance/Quality Control (QA/QC) a suite of internationally accredited and certified reference material (standards) and locally sourced blanks are included in the sample submission sequence. The standards cover the gold grade ranges expected at Namdini. Interlaboratory umpire analysis was conducted in 2016.

No employee, officer, director, or associate of Cardinal carried out any sample preparation on samples from the Namdini Project exploration program. Drill core was transported from the drill site by Cardinal vehicle to the secure core yard facility at the Bolgatanga Field Exploration Office.

All samples collected for assaying are retained in a locked secure shed until they are collected by the assay laboratory. Retained drill core is securely stored in the core storage compound and pulps are securely stored in the exploration core logging area.

In RPA's opinion, the sampling preparation, security, and analytical procedures used by Cardinal are consistent with, and often exceed, generally accepted industry best practices and are, therefore, adequate for use in the estimation of Mineral Resources.

Data Verification

In the event of logging onto a printed log sheet, the data must be captured onto the geologist laptop at the end of every shift. All logging data is then downloaded from the logging computer and synchronized into the Maxwell Geoservices Datashed drill hole database at the end of every shift. Field data must be transferred by the project geologist to the database administrator the same day as samples are submitted to the laboratory for analysis.

The database administrator then validates the data and if any problems are encountered, the project geologist is immediately contacted and the necessary corrections made before the data is imported into the Micromine drill hole database. Data must be in the database before any assay results are received from the laboratory. Data exported out of the database must be signed off by the database administrator.

Cardinal maintains strict protocols with respect to the review and validation of assay results prior to importing into the drill hole database.

Assay results received from the laboratory in pdf and csv formats, are sent via email to the CEO/MD and the exploration manager for onward transfer to Datashed, which is then loaded into the database.

Cardinal technical staff carry out routine analysis of the quality control data on receipt of assay results from the laboratory in order to determine if the batch of samples has passed industry standard levels for control samples. If the batch 'fails', the batch of assays is rejected and a re-assay request for the batch of samples is made to the laboratory. In RPA's opinion, the QA/QC program as designed and implemented by Cardinal is adequate and the assay results within the database are suitable for use in a Mineral Resource estimate.

During RPA's December 2016 site visit, four diamond drill holes were laid out at the Bolgatanga exploration core processing area and RPA selected 165 diamond drill sample intervals for quarter-core independent witness sampling ("**IWS**"). Cardinal exploration personnel packaged the pertinent quarter core samples, and RPA monitored the sampling operations and final bagging. Each sample bag was inspected by RPA, marked with an RPA sample number, and then weighed. The Cardinal Exploration Manager personally delivered the IWS to the ALS Global facility in Kumasi, Ghana for sample preparation. The samples were then sent to ALS Global in Loughrea Galway Ireland for assay. RPA concluded that the IWS samples confirmed the presence of gold in the same order of magnitude as the original samples.

RPA is of the opinion that database verification procedures for the Namdini Project comply with industry standards and are adequate for the purposes of Mineral Resource estimation. RPA recommends, however, that all future Namdini Project Mineral Resource drilling should be sampled on half core basis rather than the recent use of quarter core.

Mineral Processing and Metallurgical Testing

Suntech Geomet Laboratories ("**Suntech**"), based in Johannesburg, South Africa carried out an initial range of metallurgical testwork on a 332 kg composite sample of quartered HQ diamond drill core obtained from a single drill hole (NMDD005), which included weighted proportions of meta-volcanics, granite, and diorite. The individual components were used to make a master composite which graded at 1.42 g/t Au and 1.1%.

Subsequently, Cardinal provided RPA with additional information based on metallurgical testwork that is currently underway and which, according to Cardinal, provided a better understanding of the Suntech work.

Based on Cardinal's information, RPA accepted the proposed overall recovery of 82%, pending review of the new metallurgical test data. RPA notes that the recovery appears to be dependent upon the ratios of the various lithologies, which change as the resource model is updated and depending upon the cut-off grade.

Mineral Resources

Geological interpretation and Mineral Resource estimation were completed by RPA for Namdini incorporating drill holes completed as of December 2, 2016 (up to and including NMDD061). The Mineral Resources have been completed to a level that meets industry standards and are compliant with the terms and definitions provided in "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia" (2012 Edition).

RPA has reconciled the Mineral Resources to CIM Definition Standards (2014) and there are no material differences.

RPA utilized geological wireframes generated in Leapfrog Geo version 4.0 and Single Indicator Kriging (SIK) at 0.1 g/t Au and 1.0 g/t Au to help constrain grade estimates which were estimated using Ordinary Kriging (OK) in Datamine Studio RM version 1.2.46. Assays were capped at between 1.0 g/t Au and 25

g/t Au and composited to 3 m intervals. Densities were assigned to blocks based on lithological units and weathering horizons. Blocks were classified as Indicated and Inferred based on confidence in block estimates implied by the variogram, grade continuity and drill hole spacing. A cut-off grade of 0.5 g/t Au was used for resource reporting and Mineral Resources were constrained by a Whittle pit optimization. The table below summarizes Mineral Resources at the Namdini Project.

Table 2
Summary of Mineral Resources
Cardinal Resources Ltd. – Namdini Project

Category	Tonnage	Grade	Contained Metal
	(000 t)	(g/t Au)	(000 oz Au)
Indicated	23,864	1.21	931
Inferred	100,149	1.13	3,629

Notes

1. The JORC (2012) Code was followed for Mineral Resources. RPA has reconciled the Mineral Resources to CIM Definition Standards (2014) and there are no material differences.
2. Mineral Resources are estimated at a cut-off grade of 0.5 g/t Au constrained by a preliminary pit shell.
3. Mineral Resources are estimated using a long-term gold price of US\$1,500 per ounce.
4. Incorporates drill holes completed as of December 2, 2016 (up to and including NMDD061).
5. Numbers may not add due to rounding

RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Environmental Studies

Environmental matters in Ghana, including those related to mining, fall primarily under the oversight of the EPA, as well as the Minerals Commission and the Inspectorate Division of the Minerals Commission. The EPA has laws and regulations that govern, among other things, environmental and socio-economic impact assessments and statements, environmental management plans, emissions into the environment, environmental auditing and review, and mine closure and reclamation, to which the Corporation's operations are subject. Additional provisions governing mine environmental management are provided in the 2006 Mining Act and the various Minerals and Mining Regulations which came into force in 2012.

Cardinal duly registered the Namdini Project with the EPA through the submission of an application form. On November 20, 2016, the EPA, under reference number CA 6954/2 directed Cardinal to carry out an Environmental Impact Assessment study ("EIA") and submit an Environmental Impact Statement ("EIS") to the EPA, in line with the requirement of the Ghana EIA Procedures and Legislative Instrument 1652. As a first phase in the preparation of the EIS report, the EPA has further directed that a scoping study to generate the terms of reference for the EIA study be conducted and that a scoping report be submitted to the EPA for review.

NEMAS Consult Ltd ("**NEMAS**"), of Accra, Ghana, has been contracted by Cardinal to undertake the EIA for the Namdini Project. NEMAS has undertaken a site reconnaissance visit and commenced the scoping stage of the process in accordance with the procedures for the EIA study (NEMAS, 2017).

With regard to exploration practices, as per the Cardinal Exploration Standard Operating Procedures Manual, any potential emissions and effects associated with exploration activities, which could include habitat modification and associated visual effects, are kept to a minimum. Auger drilling is used as a primary grassroots exploration tool as this method does not cause significant impact on the hole surroundings.

For diamond and RC drilling site preparation and access in the Savannah grassland, it is mostly undergrowth that is cleared, while larger trees are preserved. Drill sites are kept clean of rubbish and free of oil or fuel spills, and are then remediated upon completion of drilling.

Social or Community Impact

The only local community near the Namdini Project site comprises artisanal miners and their families. RPA noted that relations between Cardinal and the local artisanal miners appear cordial and respectful, especially as they are allowed to proceed with minor surface artisanal mining whilst Cardinal exploration activities are ongoing.

Local community members are hired and trained by Cardinal for exploration activities including clearing lines for geochemical surveys, drill site preparation and clean up, and assisting Geological Technicians with RC sample collection. All Cardinal personnel are given a preliminary induction briefing on site relative to the tasks required. Personnel protective equipment is provided as required. For the security of all, the Ghana Police Service patrol the Namdini Project site 24 hours a day, 7 days a week.

Cardinal has undertaken various community support projects including building a community hall, as well as drilling and equipping a potable water well.

Cardinal also maintains good relations with Bolgatanga Minerals Commission personnel, Community Chiefs, and District Assemblymen. Cardinal's Public Relations Officer handles all local issues.

Interpretation and Conclusions

RPA offers the following conclusions:

Geology and Mineral Resources

- The Namdini gold deposit is a large structurally controlled orogenic gold deposit with numerous features similar to deposits found elsewhere in late Proterozoic Birimian terranes of West Africa.
- Cardinal has a detailed Manual for Exploration and Drilling Practices that provides for standardization and consistency in all field technical personnel to ensure the collection of quality data.
- In RPA's opinion, the Cardinal exploration program activities meet the CIM Exploration Best Practices Guidelines. Cardinal's protocols for drilling, sampling, analysis, security, and database management meet industry standard practices.
- Drilling has outlined mineralization with three-dimensional continuity, and size and grades that can potentially be extracted economically.
- The drill hole database was verified by RPA and is suitable for Mineral Resource estimation work.
- In RPA's opinion, the December 2, 2016 Mineral Resource estimate has been completed to a level that meets industry standards, is compliant with the JORC (2012) Code, and the results are reasonable.

- At a cut-off grade of 0.5 g/t Au, Indicated Mineral Resources are estimated to total 23.86 Mt at an average grade of 1.21 g/t Au for 931,000 ounces of contained gold. At the same cut-off grade, Inferred Mineral Resources are estimated to total an additional 100.1 Mt at an average grade of 1.1 g/t Au for 3,629,000 ounces of contained gold.

Mineral Processing and Metallurgical Testing

- Based on Cardinal's information, RPA accepted the proposed overall recovery of 82%, pending review of the new metallurgical test data.
- RPA notes that the recovery appears to be dependent upon the ratios of the various lithologies, which change as the resource model is updated and depending upon the cut-off grade.
- In RPA's opinion, the refractory nature of the gold, which requires ultra-fine grinding to facilitate recovery in a cyanide leach circuit, is the major factor that has the potential to impact the Project economics. Deleterious elements are not thought to pose a risk to the Project.

Environmental Studies and Permitting

- NEMAS has been contracted by Cardinal to undertake the EIA for the Namdini Project. NEMAS has undertaken a site reconnaissance visit and commenced the Scoping stage of the process in accordance with the EPA procedures for the EIA study.
- Cardinal's exploration activities are undertaken such that any potential emissions and effects associated exploration activities, which could include habitat modification and associated visual effects, are kept to a minimum.
- Relations between Cardinal and the local artisanal mining community appear cordial and respectful. Local community members are hired and trained by Cardinal for exploration activities.
- Cardinal also maintains good relations with Bolgatanga Minerals Commission personnel, Community Chiefs, and District Assemblymen. Cardinal's Public Relations Officer handles all local issues.

Recommendations

The Namdini Project hosts a significant gold deposit and merits considerable infill as well as resource expansion exploration, as well as advanced studies. The near-term primary objectives are to improve the confidence in the Mineral Resource estimate and initiate a Preliminary Economic Assessment.

RPA's recommendations are as follows:

Geology and Mineralization

- Further detailed studies are warranted on the lithological and structural controls on mineralization, especially as the deposit is explored deeper.

Drilling and Sampling

- While the survey control, and collar surveys are considered to be accurate and appropriate, RPA recommends that Cardinal implement a high resolution (sub metre accuracy) Digital Terrain Model (DTM).
- All future RC holes should be downhole surveyed.

- RPA also recommends that Cardinal implement a numerical Mine Grid, aligned along the strike of the orebody, and discontinue the use of alphanumeric sectional definitions.
- RPA concurs with Orefind's recommendation for utilizing a core-orienting frame. This level of detail will be important to determine mineralization plunges.
- With regard to sampling issues, RPA recommends the following:
 - Replace the current pre-pulverized blank material with coarse blanks.
 - Implement a CRM at the average resource grade (approximately 1.2 g/t Au).
 - Allow manual insertion of blank samples after suspected high grade intervals.
 - Implement an Umpire Assaying Program.
 - Carry out careful monitoring of blank and CRM sample insertion.
 - Investigate the high failure rate of CRM STD (544) so that any required adjustments can be made or replacement of that CRM with an alternative one.
 - Reject and re-assay as needed assay batch fails.
 - Implement coarse reject (after crushing) diamond duplicates.
 - Drill additional RC/DDH twinned holes should be drilled for comparisons of sample results prior to any close spaced grade control RC drilling.
 - Carry out sampling on a half core basis in all future Namdini Project Mineral Resource drilling.

Mineral Resource Model

- Build mineralization wireframes based on litho-structural information, preferably using Leapfrog software. Benefits will include:
 - A potential positive impact to the gold grade.
 - A better control on estimates.
 - Improved variography and better understanding of plunges.
 - Better understanding of geology to assist exploration targeting at depth.
- While the indicator methodology is effective at outlining different grade populations associated with the controls on mineralization for the current stage of the Namdini Project, RPA recommends that as the Namdini Project advances, high and low grade wireframes should be used to constrain estimation.
- Additional bulk density information should be collected for the strongly and moderately oxidized weathered lithologies as well as for the transition and fresh meta-sediments and diorite lithologies.
- Conduct infill drilling on 50 m drill sections for those areas that are currently averaging 60 m to 80 m drill spacing, to confirm continuity and potentially upgrade Inferred to Indicated. A staggered pattern is proposed to optimize planned holes, minimize over-drilling, and meet target criteria.

- Prior to drilling operations, test planned drilling configurations against the block model to ensure that the criteria are met.

Mineral Processing and Metallurgical Testing

- Continue with metallurgical test work studies, specifically the relationship between metallurgical response and geological domains, and to further optimize the processes.
- In order to accurately reflect the recoveries to be used in the future, RPA recommends that tests should be conducted on samples containing separate lithologies, rather than on composite samples, so recovery can be reported by lithology for input into future block models.

Environmental Studies and Permitting

- Cardinal should continue with formal studies, by internationally recognized consultants, to determine the potential impact on the environment and community.

Proposed Program and Budget

RPA has reviewed and concurs with Cardinal's proposed budgets. The recommended Phase I program, to be initiated as soon as operationally practical, consists mainly of infill diamond drilling to upgrade Inferred Mineral Resources to Indicated Mineral Resources, targeting areas in the central core of the deposit.

Also proposed in Phase I is an update of the Mineral Resource model followed by a Preliminary Economic Assessment (Scoping Study). The budget for this program is approximately US\$1,600,000.

Details of the recommended Phase I program can be found in Table 3, entitled "Proposed Phase I Exploration Budget".

Table 3

Proposed Phase I Budget

Cardinal Resources Ltd. – Namdini Project

ITEM	US\$
Core Drilling (35 holes for 7,500 m)	1,100,000
Metallurgical Test Work	50,000
Environmental and Social Studies	50,000
Mineral Resource Update	100,000
Preliminary Economic Assessment	150,000
Subtotal	1,450,000
Contingency	150,000
Total Phase I	1,600,000

Contingent upon the Phase I program results, a Phase II program consisting of further exploration to the west in order to test down dip extensions of the current Mineral Resources, as well as to the north to potentially extend the mineralized zone along strike. Phase II drilling also consists of resource RC drilling designed to upgrade Indicated Mineral Resources to the Measured category in the constrained higher grade area. The budget for this Phase II exploration program, which is set out in Table 4, is approximately US\$3,000,000.

Table 4

Proposed Phase II Exploration Budget	
Cardinal Resources Ltd. – Namdini Project	
Item	US\$
Core Drilling (20 holes for 12,000 m)	2,000,000
RC Drilling (7,000 m)	600,000
Mineral Resource Update	100,000
Subtotal	2,700,000
Contingency	300,000
Total Phase II	3,000,000

OTHER PROJECTS

The Corporation is carrying out exploration activities on its other licences, although its main focus is on the Namdini Project, and the Corporation does not consider the other properties to be material. No resources have as yet been established on the Corporation's other properties. See the discussion of exploration activities under "Management's Discussion and Analysis."

Bolgatanga Project

The Bolgatanga Project consists of the Ndongo Prospect, the Kungongo Prospect and the Bongo Prospect.

Ndongo Prospecting Licence

The Ndongo Prospecting Licence was granted to Cardinal Resources Ghana Limited on July 7, 2014 for a period of two years ending July 6, 2016. On October 31, 2016, the Minerals Commission extended the Ndongo Prospecting Licence until October 31, 2017. On February 27, 2017, the Minerals Commission confirmed that Cardinal Resources Ghana Limited is the holder and owner of the Ndongo Prospecting Licence.

The Ndongo Prospecting Licence was granted to Cardinal Resources Ghana Limited to prospect for and prove gold in the Bolgatanga and Telensi Nabdam District in the Upper East Region in the Republic of Ghana. The Ndongo Prospecting Licence covers a total land size of 106.65 km².

Kungongo Prospecting Licence

The Kungongo Prospecting Licence was originally granted to Cardinal Resources Ghana Limited on January 21, 2011 as a reconnaissance licence for one year ending January 20, 2012. After the expiration of the reconnaissance licence, the Minerals Commission on its own upgraded the Kungongo Reconnaissance Licence to Kungongo Prospecting Licence. On October 13, 2015, the Minerals Commission wrote to Cardinal Resources Ghana Limited requesting it to pay for the extension of the Kungongo Prospecting Licence for a period of 12 months. Cardinal Resources Ghana Limited made the payment for the extension of the Kungongo Prospecting Licence on June 17, 2016. On July 26, 2016, the Minerals Commission extended the Kungongo Prospecting Licence to July 25, 2017. On February 27, 2017, the Minerals Commission confirmed that Cardinal Resources Ghana Limited is the holder and owner of the Kungongo Prospecting Licence.

The Kungongo Prospecting Licence covers a total land size of 120.12 km² and is eligible for renewal.

Bongo Reconnaissance Licence

The Bongo Reconnaissance Licence was granted to Cardinal Resources Ghana Limited on January 21, 2011 for a period of one year ending January 20, 2012. Cardinal Resources Ghana Limited has applied for a renewal of the Bongo Reconnaissance Licence and the Minerals Commission has recommended that the Minister renew the Bongo Reconnaissance Licence in the name of Cardinal Resources Ghana Limited. The Minister is yet to sign the renewal letter. However, on February 27, 2017, the Minerals Commission confirmed that Cardinal Resources Ghana Limited is the holder and owner of the Bongo Reconnaissance Licence.

Subranum Project

Cardinal Resources Subranum Limited ("**Cardinal Subranum**") is the beneficial and title holder of Subin-Kasu Prospecting Licence, which comprises the Subranum Project.

The Subin-Kasu Prospecting Licence was originally granted to Newmont Ghana Gold Limited. On April 6, 2012, Newmont Ghana Gold Limited entered into a Purchase and Sale Agreement with Cardinal Subranum and assigned the Subin-Kasu Prospecting Licence to Cardinal Subranum, in consideration for certain cash payments and Cardinal's agreement to incur certain exploration expenses.

Under the Purchase and Sale Agreement, Cardinal Subranum shall pay a two percent net smelter returns royalty on all minerals mined, removed and sold in respect of the Subin-Kasu Prospecting Licence.

On November 24, 2015, the Minister approved the Purchase and Sale Agreement and Cardinal Subranum became the title holder of Subin-Kasu Prospecting Licence until September 15, 2016. On November 18, 2016, the Minerals Commission wrote to Cardinal Subranum requesting it to make payment for the extension of the Subin-Kasu Prospecting Licence for a period of 12 months. Cardinal Subranum made the payment for the extension of the Subin-Kasu Prospecting Licence on December 14, 2016. On February 27, 2017, the Minerals Commission confirmed that Cardinal Resources Ghana Limited is the holder and owner of the Subin-Kasu Prospecting Licence.

The Subin-Kasu Prospecting Licence covers a total land size of 68.70 km² located in the Offinso and Ahafo-Ano South District of the Ashanti Region in the Republic of Ghana, expires on September 15, 2017, and is eligible for renewal.

THE CORPORATION'S OPERATIONS IN GHANA

The Corporation holds its material assets and carries on its business in Ghana largely through separate, wholly-owned, operating subsidiaries. As discussed above, Cardinal Subranum, CMS, Cardinal Resources Ghana Limited and Cardinal Namdini Mining Limited (collectively, the "**Ghanaian**

Subsidiaries”) are incorporated under the laws of the Republic of Ghana. The Ghanaian Subsidiaries are indirectly wholly owned by the Issuer.

The Corporation has established systems of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply at all levels of the Corporation’s corporate structure. Such systems are overseen by the Board and implemented by senior management of the Corporation. Certain significant features of these systems are described below:

Control over Subsidiaries – The Corporation’s corporate structure has been designed to ensure that the Corporation is able to direct the operations of its subsidiaries. All of the Corporation’s subsidiaries, including the Ghanaian Subsidiaries, are wholly-owned. Accordingly, the Corporation controls the appointments of the directors of the Corporation’s subsidiaries and the directors of such subsidiaries are ultimately accountable to the Board and senior management. Mr. Koimtsidis and Mr. Easah, both of whom are directors of the Corporation, are the only directors of the Ghanaian Subsidiaries. The corporate records, including minute books, of the Ghanaian Subsidiaries are kept at the Corporation’s head office

Under Ghanaian law, the shareholders of a corporation are entitled to remove directors at a duly convened general meeting of a corporation. In the event that the Corporation wished to remove a director of a Ghanaian Subsidiary, the Corporation would cause the shares in such Ghanaian Subsidiary to be voted for the removal of such director. Removal would take place at a meeting duly convened for the purpose of such removal and held at least 35 days after the notice of the meeting has been served on such director and any other directors of such Ghanaian Subsidiary who are entitled to attend the general meeting.

As noted above, the only directors of Ghanaian Subsidiaries also serve as directors of the Corporation. In the event that the Corporation wished to remove an officer of a Ghanaian Subsidiary, the directors of such Ghanaian Subsidiary would take the requisite corporate action to remove such officer.

Risk Assessment – The Board is responsible for the management of the Corporation and, as such, supervises the management of the business and affairs of the Corporation. The Board is responsible for approving any capital expenditures and other transactions and matters that are considered material to the Corporation, including matters of the Corporation’s subsidiaries that are considered material to the Corporation. In addition, the Board has delegated certain risk-management functions to the Audit and Risk Committee. The Audit and Risk Committee is responsible for overseeing the Corporation’s risk management systems, practices and procedures, for identifying and managing business, economic, environmental and social sustainability risks and for reviewing the Corporation’s risk management framework at least annually.

Internal Control over Financial Reporting – Upon becoming a reporting issuer, the Corporation will prepare its consolidated financial statements and MD&A on a quarterly and annual basis, using International Financial Reporting Standards (IFRS), which require financial information and disclosures from the Issuer’s subsidiaries. The Corporation implements internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS. These internal controls include the following:

- Management of the Corporation has direct access to relevant financial management of the Corporation’s subsidiaries in order to verify and clarify all information required.
- All public documents and statements relating to the Corporation and its subsidiaries containing material information (including financial information) are reviewed by senior management (including the Chief Executive Officer and Managing Director) before such material information is disclosed, to make sure that all material information has been considered by management of the Issuer and properly disclosed.

- Upon the Corporation becoming a reporting issuer, the Audit and Risk Committee will review and approve the Corporation's quarterly financial statements and MD&A and will recommend to the Board for the Board's approval the Corporation's annual financial statements and MD&A, and any other financial information requiring Board approval, prior to their publication or release.
- The Audit and Risk Committee assesses and evaluates the adequacy of the procedures in place for the review of the Issuer's public disclosure of financial information extracted or derived from the Issuer's financial statements, other than annual and quarterly financial disclosure.

In addition, the Corporation engages its external auditor to perform an audit of the annual consolidated financial statements in accordance with IFRS.

Disclosure Controls and Procedures – The responsibilities of the Audit and Risk Committee include oversight of the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements.

CEO and CFO Certifications – In order for the Corporation's Managing Director and Chief Executive Officer and its Chief Financial Officer to be in a position to attest to the matters addressed in the quarterly and annual certifications required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Corporation has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting, in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Corporation and its subsidiaries containing material information, is prepared with input from the responsible officers and employees, and is available for review by the Managing Director and Chief Executive Officer and the Chief Financial Officer in a timely manner.

These systems of corporate governance, internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, the Corporation has access to all material information about its subsidiaries, including the books and records of its subsidiaries.

The Corporation provides funds to the Ghanaian Subsidiaries for exploration activities. As part of its corporate governance practices, Cardinal has developed a Delegation of Authority Manual. The Delegation of Authority Manual contains guidelines for delegated authorities that help in maintaining adequate controls within the organization, including the flow of funds between Australia and Ghana.

DIVIDEND POLICY

The Corporation has not declared or paid any dividends on its Ordinary Shares. A dividend policy has not been adopted by the Board. The Corporation currently intends to utilize its earnings to finance the growth and development of its business and to otherwise reinvest in its business. Any decision to pay dividends on the Ordinary Shares in the future will be made by the Board on the basis of the Corporation's earnings and financial requirements as well as other conditions existing at such time. Unless the Corporation commences the payment of dividends, holders of Ordinary Shares will not be able to receive a return on their Ordinary Shares unless they sell them.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Ordinary Shares, subject to certain restrictions prescribed in the ASX Listing Rules, the Corporations Act and the Corporation's constitution. Under the ASX Listing Rules, subject to certain exceptions and without the approval of Shareholders, the Corporation may not issue or agree to issue during any 12-month period equity securities (including options and other securities convertible into equity) if the number of securities issued or agreed to be issued would exceed 15% of the total equity securities on issue at the commencement of the 12-month period. At the Corporation's annual general meeting held on November 7, 2016, Shareholders approved

the issue of an additional 10% of the Corporation's issued capital, subject to satisfaction of certain criteria prescribed in the ASX Listing Rules and the Corporation's notice of annual general meeting dated September 28, 2016.

As of June 29, 2017, the following securities of the Corporation that are equity or voting securities or are exercisable for or convertible into equity or voting securities were outstanding:

- 350,062,957 Ordinary Shares;
- 116,149,539 Listed Options, which are exercisable to acquire 116,149,539 Ordinary Shares;
- 34,000,000 Unlisted Options, which are exercisable to acquire 34,000,000 Ordinary Shares;
- 50 Class A Performance Shares, which are convertible into 5,000,000 Ordinary Shares; and
- 60 Class C Performance Shares, which are convertible into 6,000,000 Ordinary Shares.

Shareholders are entitled to dividends if, as and when declared by the Board; to vote at any meetings of the Shareholders of the Corporation; and upon liquidation, dissolution or winding up of the Corporation, to receive the remaining property and assets of the Corporation, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares in the Corporation. All of the Ordinary Shares outstanding are fully paid and non-assessable.

Holders of Performance Shares are entitled to conversion of each Performance Share into 100,000 Ordinary Shares upon the achievement of certain milestones or events. The conversion of Class A Performance Shares is dependent upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Corporation by December 27, 2017:

- the establishment of a JORC compliant inferred resource of at least 1 million ounces of gold within the Exploration Tenements;
- a project owned by the Corporation or any of its subsidiaries comprising all or part of the Exploration Tenements being sold for at least \$25 million in cash or cash equivalent; or
- a joint venture arrangement being entered into in respect of any of the Exploration Tenements resulting in cash or cash equivalent to the Corporation of not less than \$25 million.

The conversion of Class C Performance Shares will occur upon satisfaction of achieving a minimum inferred resource (JORC compliant) of gold within the Ndongo Prospect by February 18, 2020, being no later than five years after the date on which the Class C Performance Shares were issued. The table below sets out the conversion of the Class C Performance Shares based on the achievement of performance hurdles.

Class C Performance Shares	Performance Hurdles (JORC Inferred Gold Resource) (oz)	Number of Ordinary Shares to be issued on achievement of Performance Hurdle
10	500,000	1,000,000
5	750,000	500,000
5	1,000,000	500,000
5	1,250,000	500,000
5	1,500,000	500,000

Class C Performance Shares	Performance Hurdles (JORC Inferred Gold Resource) (oz)	Number of Ordinary Shares to be issued on achievement of Performance Hurdle
5	1,750,000	500,000
5	2,000,000	500,000
5	2,250,000	500,000
5	2,500,000	500,000
5	2,750,000	500,000
5	3,000,000	500,000
Total: 60		6,000,000

OPTIONS TO PURCHASE SECURITIES

The following chart is a summary of the number and certain terms of options to purchase Ordinary Shares that have been granted to the persons or groups of persons set out below and that are outstanding as of June 29, 2017.

Class of Optionholder (number of optionholders in class)	Number of Ordinary Shares under Option	Grant Date of Options	Exercise Price (\$)	Expiry Date
Current and former executive officers of the Corporation, as a group (6)	6,000,000	March 18, 2016	0.22	March 18, 2020
Current and former executive officers of the Corporation, as a group (5)	16,000,000 ⁽¹⁾	April 12, 2017	0.50	April 12, 2022
Current and former directors of the Corporation who are not executive officers, as a group (3)	2,000,000	March 18, 2016	0.22	March 18, 2020
	10,000,000 ⁽¹⁾	April 12, 2017	0.50	April 12, 2022

Note

⁽¹⁾ On April 3, 2017, Shareholders approved the issue of an aggregate of 26,000,000 Unlisted Options to directors and certain officers of the Corporation, on the terms and conditions summarized in the chart above and in the information below. Such Unlisted Options will vest in three tranches, and the Unlisted Options constituting each tranche will be exercisable immediately upon vesting until the April 12, 2022.

- (i) Tranche 1: the earlier of (A) the completion of a scoping study and (B) the completion of a preliminary economic assessment of the Ghanaian Projects;
- (ii) Tranche 2: on the beginning of earthworks for gold production at the Ghanaian Projects; and
- (iii) Tranche 3: on the first pouring of gold at the Ghanaian Projects.

The number of Unlisted Options in each tranche held by each grantee is set out below:

Grantee	Tranche 1	Tranche 2	Tranche 3	Total
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Grantee	Tranche 1	Tranche 2	Tranche 3	Total
Kevin Tomlinson	1,500,000	1,500,000	2,000,000	5,000,000
Archie Koimtsidis	1,350,000	1,350,000	1,800,000	4,500,000
Malik Easah	1,200,000	1,200,000	1,600,000	4,000,000
Mark Connelly	750,000	750,000	1,000,000	2,500,000
Simon Jackson	750,000	750,000	1,000,000	2,500,000
Erik Palmbachs	750,000	750,000	1,000,000	2,500,000
Bruce Lilford	750,000	750,000	1,000,000	2,500,000
Paul Abbott	750,000	750,000	1,000,000	2,500,000

Further details are provided in the Corporation's notice of general meeting dated March 1, 2017.

PRIOR SALES

The following table sets forth the Ordinary Shares issued by the Corporation within the past 12 months:

Date	Number of Ordinary Shares issued	Issue Price Per Share (\$)	Aggregate Issue Price (\$)	Nature of Consideration
May 25, 2017	476,247	nil	nil	Services
April 27, 2017	45,598,266	0.50	22,799,133	Cash
February 1, 2017	2,500	0.15	375	Cash
November 28, 2016	476,247	nil	nil	Services
October 28, 2016	35,000	0.15	5,250	Cash
October 7, 2016	300,000	0.15	45,000	Cash
September 22, 2016	25,000	0.15	3,750	Cash
September 5, 2016	575,000	0.15	86,250	Cash
September 5, 2016	5,000,000	nil	nil	Vesting of Performance Shares
August 26, 2016	500,000	0.15	75,000	Cash
August 26, 2016	19,481,330	0.29	5,649,585.70	Cash
July 19, 2016	55,518,670	0.29	16,100,414.30	Cash

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at March 31, 2017.

	Authorized	Number outstanding
Ordinary Shares	Unlimited	303,988,444
Listed Options	Unlimited	116,152,039

Unlisted Options	Unlimited	8,000,000
Class A Performance Shares	Unlimited	50
Class C Performance Shares	Unlimited	60

On April 21, 2017, the Corporation announced the completion of the April 2017 Placement, in which 45,498,266 Ordinary Shares to sophisticated and professional investors at an issue price of \$0.50 per Ordinary Share for aggregate gross proceeds of \$22,799,133.

TRADING PRICE AND VOLUME

The Ordinary Shares are listed on the ASX under the symbol “CDV”. The following table sets forth the high and low sales prices per outstanding Ordinary Share and trading volumes for the outstanding Ordinary Shares on the ASX for the periods indicated:

	Price Per Ordinary Share		Trading Volume
	High (\$)	Low (\$)	
2016			
January	0.15	0.11	4,886,282
February	0.15	0.099	18,990,549
March	0.16	0.13	21,975,806
April	0.195	0.14	14,320,177
May	0.245	0.1725	20,053,246
June	0.305	0.185	13,770,900
July	0.455	0.29	31,657,288
August	0.57	0.40	31,257,574
September	0.72	0.42	29,599,621
October	0.77	0.585	16,193,550
November	0.70	0.195	137,979,791
December	0.25	0.20	9,910,071
2017			
January	0.26	0.22	6,568,913
February	0.43	0.265	34,374,088
March	0.535	0.39	21,357,959

	Price Per Ordinary Share		Trading Volume
	High (\$)	Low (\$)	
April (to April 4)	0.595	0.495	2,113,756

Source: Bloomberg.

SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information from the Corporation's unaudited interim financial statements for the six months ended December 31, 2016 and audited annual financial statements for the financial years ended June 30, 2016, 2015 and 2014.

	Six months ended December 31, 2016 (\$)	Financial year ended June 30, 2016 (\$)	Financial year ended June 30, 2015 (\$)	Financial year ended June 30, 2014 (\$)
Revenue	53,764	43,706	5,269	21,827
Administration expenses	(1,066,532)	(2,090,910)	(616,772)	(566,432)
Exploration and evaluation expenditure	(6,237,423)	(7,182,584)	(2,143,615)	(1,946,496)
Loss after income tax	(7,319,351)	(9,322,373)	(3,495,726)	(9,965,348)
Total Comprehensive Loss	(7,338,179)	(9,243,909)	(3,580,551)	(10,164,082)
Basic and diluted loss per Ordinary Share	(0.03)	(5.55)	(3.82)	(13.58)
Total assets	19,133,568	5,661,536	1,351,751	2,277,557
Total liabilities	1,692,945	1,713,467	368,148	127,366
Net assets	17,440,623	3,948,069	983,603	2,150,191

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the reviewed condensed interim financial statements of Cardinal Resources Limited for the three months and six months ended December 31, 2016, which were prepared in accordance with IAS 34, and the audited annual consolidated financial statements for the financial years ended June 30, 2016 and 2015 were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Corporation consistently applied the same accounting policies throughout all periods presented. The Corporation's significant accounting policies are provided in Note 2 to the Corporation's audited annual consolidated financial statements for the year ended June 30, 2016, which are contained in Schedule "A" to this Prospectus. All dollar amounts included in this MD&A are expressed in Australian dollars unless otherwise noted.

CHANGE IN ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements for December 31, 2016 were prepared using accounting policies consistent with those used in the audited annual consolidated financial statements for the year ended June 30, 2016.

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

International Financial Reporting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Corporation for the reporting period ended December 31, 2016. The Corporation's assessment of the impact of these new or amended Accounting standards and Interpretations most relevant to the Corporation are set out below.

IFRS 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2018 and completes phases I and III of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in IAS 39 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Corporation will adopt this standard and the amendments from July 1, 2018. It is expected that the application of the new amendments will not have an impact on the entity's financial statements.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued this new standard for the recognition of revenue. This standard is applicable to annual reporting periods beginning on or after January 1, 2017. The standard will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer — so the notion of control replaces the existing notion of risks and rewards. The Corporation will adopt this standard and the amendments from July 1, 2017. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

IFRS 16 Leases

The IASB has issued this new standard which eliminates the operating and finance lease classifications for lessees currently accounted for under IAS 17 Leases. It instead requires an entity to bring most leases onto its Statement of Financial Position in a similar way to how existing finance leases are treated under IAS 17. An entity will be required to recognize a liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from IAS 17. IFRS 16 Leases is applicable to periods beginning on or after January 1, 2019.

COMMITMENTS

The Corporation has commitments in respect to the use of an office premises in Perth, Western Australia, for \$5,300 per month until September 30, 2018. The Corporation has an option to extend the lease for three months after September 30, 2018.

The Corporation has commitments in respect to the use of an office premise in Toronto, Canada, for C\$1,863 per month until March 31, 2018.

CONTINGENCIES

Cardinal fully owns five subsidiaries, whose main activities are exploration. The effect of these subsidiaries is to make the Cardinal-owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

Cardinal Resources Subranum Limited entered into a sale and purchase agreement dated April 6, 2012 with Newmont Ghana Gold Limited (a subsidiary of Newmont Mining Corporation) for the purchase of the Subranum Project. On November 24, 2015, the relevant Minister of the 2006 Mining Act approved the sale. Cardinal Resources Subranum Limited acquired 100% of the Subin Kasu Prospecting Licence and paid to Newmont Ghana Gold Limited US\$50,000 on June 12, 2016.

US\$50,000 will be paid to Newmont Ghana Gold Limited on the first anniversary being June 13, 2017 and a final US\$100,000 on the second anniversary date being June 12, 2018. In addition Cardinal Resources Subranum Limited will be required to spend US\$250,000 on exploration within the first year from June 21, 2016 and a further US\$750,000 being June 12, 2018.

Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Resources Subranum Limited reports a "gold resource estimate" of 1Moz of gold. Subject to the grant of a Mining Lease under the 2006 Mining Act, Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% net smelter royalty.

RISK AND UNCERTAINTIES

For a discussion of the risks and uncertainties facing the Corporation, please see "*Risk Factors*".

QUALIFIED PERSON

The technical information about the Corporation's mineral properties contained in this MD&A, other than information summarized or extracted from the Technical Report, has been prepared under the supervision of Paul Abbott, a qualified person within the meaning of National Instrument 43-101 and a person with sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a "Competent Person" as such term is defined in the JORC Code. Paul Abbott has reviewed the contents of this MD&A and has consented to the inclusion in this MD&A of all technical statements, other than information summarized or extracted

from the Technical Report, in the form and context in which they appear and confirms that such information fairly represents the underlying data and study results.

OUTLOOK

The Corporation's principal business activity is gold exploration and development, with its key assets located in Ghana, West Africa. The Corporation currently has three projects, the Namdini Project, Bolgatanga Project and Subranum Project.

The Corporation's goal is to increase shareholder value by continuing to develop the Corporation's Projects.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Financial Officer (CFO) of the Corporation is responsible for designing internal controls over financial reporting, or causing them to be designed under the CFO's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB.

There have been no changes to the Corporation's internal controls over financial reporting that occurred during the year ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The CFO of the Corporation is responsible for evaluating the effectiveness of the Corporation's disclosure controls and procedures, and has concluded, based on his evaluation, that they are effective as at June 30, 2016 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules and regulations.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's SEDAR profile at www.sedar.com.

MD&A FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2017

HIGHLIGHTS

Private Placement

On July 11, 2016, the Corporation announced the July 2016 Placement. The July 2016 Placement was completed in two tranches. The first tranche, consisting of approximately 55.5 million Ordinary Shares, was issued on July 19, 2016 under the Corporation's issue capacity under ASX Listing Rule 7.1 and 7.1A, and shareholder approval was not required. The second tranche, consisting of approximately 19.5 million Ordinary Shares, was issued on August 26, 2016 following the receipt of shareholder approval.

Conversion of Class B Performance Shares

On September 5, 2016 the Corporation announced that 50 Class B Performance Shares had been converted into 5,000,000 fully paid Ordinary Shares.

On December 27, 2012, 50 Class B Performance Shares were issued as part of the acquisition by the Corporation of the share capital of Cardinal (Australia) Pty Ltd. The issue of these shares was approved

by Shareholders. The Class B Performance Shares were to convert when the market capitalization of the Corporation reached at least \$50 million on an undiluted basis, determined by reference to the proceeding 30-day VWAP. The 30-day VWAP of the Corporation for the period between July 22, 2016 to September 1, 2016 was \$0.46, resulting in a market capitalization in excess of \$50 million on an undiluted basis. Accordingly, the Class B Performance Shares were converted into 5,000,000 fully paid Ordinary Shares on September 5, 2016.

Maiden Resource at Namdini

The Namdini Project is the only property material to the Corporation. The current Technical Report is summarized under “The Namdini Project” above.

On November 7, 2016 the Corporation announced its maiden resource estimate for the Namdini Project and the results of the Phase 1, single hole, metallurgical testwork program.

The Corporation’s primary focus has been exploration and development activities at the Namdini Project. Exploration expenses for the Corporation for the three and nine months ended March 31, 2017 were \$4,021,350 and \$10,258,773, respectively, and were mainly associated with exploration costs incurred at the Namdini Project.

Additions to Management Team

On January 4, 2017, the Corporation announced that Mr. Bruce Lilford had been appointed Project Manager at the Namdini Project, effective January 3, 2017.

On February 6, 2017, the Corporation announced that Mr. Erik Palmbachs had been appointed as the Corporation’s chief financial officer, effective March 1, 2017. Mr. Palmbachs’s appointment ended on May 24, 2017. Since May 24, 2017, Sarah Shipway has served as Interim Chief Financial Officer.

Subsequent Events

On April 5, 2017, the Corporation announced that it had applied for the listing of its ordinary shares on the TSX and had filed a preliminary non-offering prospectus and the Technical Report with the OSC.

On April 12, 2017, Cardinal issued 18,500,000 milestone options to Directors and 7,500,000 milestone options to members of senior management of the Corporation. For more information please see the Corporation’s Notice of Meeting dated March 1, 2017, and the information under “Options to Purchase Securities” above.

On April 21, 2017, the Corporation announced the completion of the April 2017 Placement. The Corporation intends to use the proceeds of the April 2017 Placement to fund further RC and diamond drilling at the Namdini Project and exploration of the Corporation’s other Ghanaian properties, to provide capital for any potential payments in relation to acquiring tenements located adjacent to the Namdini Project, to fund technical studies in respect of the Namdini Project, and for working capital.

On May 25, 2017, the Corporation issued 476,247 fully paid Ordinary Shares to Julian Barnes for services provided to the Corporation as detailed in the Notice of Annual General Meeting dated September 28, 2016.

Costs incurred by the Corporation at each of its tenements over the three and nine months ended March 31, 2017 are set out below. Exploration costs for the nine months ended March 31, 2017 include the US\$1.6 million that Savannah has spent on acquisitions of small scale mining licences. The remainder of the exploration expenses for the nine months ended March 31, 2017 represent expenses for drilling, metallurgical testing and other exploration activities that Cardinal pays directly to applicable service supplier. During the nine months ended March 31, 2017, Cardinal issued its initial resource statement, following which it has increased exploration activities.

	Bolgatanga Project	Namdini Project	Subranum Project	Total Mineral Interest
Costs incurred during the 3 months ended March 31, 2017				
Exploration Costs	\$27,881	\$3,983,208	\$10,261	\$4,021,350
Costs incurred during 9 months ended March 31, 2017				
Exploration Costs	\$98,715	\$10,120,452	\$39,606	\$10,258,773

Project Drilling

A total of 60 drill holes, comprising 43 Diamond, 6 RC + DD tails, and 11 scout sterilization RC drill holes, were completed at the Namdini Project during the nine months ended March 31, 2017, totalling 15,358.57m. A total of 14,828 samples, including duplicates, blanks and standards, were submitted to SGS Laboratories in Burkina Faso and Ghana, for standard fire assay (Table 3). QAQC protocols were observed by the taking of duplicates (RC drilling), and inserting in-house blanks and commercial certified reference material (CRM) as standards.

Drill Method	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Standards	Totals
DD Drilling	43	13,226.05	12,745	0	304	302	13,351
RC+ DD Tails	6	392.52	354	8	10	9	381
RC Drilling	11	1,740.00	992	37	33	34	1,096
Totals	60	15,358.57	14,091	45	347	345	14,828

Table 3: Namdini Project Drilling (for nine months ended March 31, 2017)

Diamond Drilling

The drill rigs were aligned at -65° dip drilling east which allows for the shallowing of the drill holes with depth. The azimuth was set at 095° instead of 100° (normal to the strike of the formations) as the borehole traces usually deviate to the right with depth due to the clockwise rotation of the drill rods.

The drill holes were surveyed near the top of each drill hole, then every 30m down the hole to determine the dip and azimuth of the drill holes with depth.

The core was orientated at each drill run using a digital instrument. The core was marked showing the base of the drill hole, then the core from each drill run was laid in a length of angle iron to fit the core together so that the orientation line could be drawn along the length of the core at the drill site. Geotechnical parameters were measured using this orientation line as the datum line.

Logging and Sampling

The core was photographed both dry and wet, then logged lithologically. Weathering, mineralization and alteration were all captured on a digital tablet for entry into the Cardinal database. A hand held kenometer device was used to measure the geotechnical parameters using the orientation line as a reference.

The core was then cut in half and then quartered. One quarter of the core was consistently sampled at 1 metre intervals, with the remaining three quarters core stored in metal core trays and placed on metal racks under cover in the core shed at Bolgatanga.

The quarter core samples were bagged, weighed, labelled and inserted into polyweave bags for despatch to the laboratory for sample preparation and fire assay. QAQC protocols were observed by inserting in-house blanks and commercial certified reference material (CRM) as standards at every 22nd sample.

Bulk density (specific gravity) determinations on selected samples from each lithological unit were continued in house.

The Corporation has divided up its sample submissions between SGS Laboratories in Burkina Faso and Ghana to assist in accelerating receipt of assay results. The samples were assayed by standard fire assay methods.

Namdini Auger Drilling

Grids of variable dimensions were constructed over each sample site which generated UTM co-ordinates for each drill hole. The drill rigs were mounted on 4 x 4 vehicles and drilled vertical holes through the soil overburden and into the saprolite horizons below.

The saprolite horizons were sampled with roughly 3kg samples taken at each drill site. Field duplicates, blanks and standards were alternately inserted after every 10th sample for QAQC controls.

Namdini Infill Soil Auger Drilling

Infill shallow soil auger drilling was completed at the Namdini Project during the quarter ended March 31, 2017, with 3,682 holes drilled totalling 14,357 m, with a combined total of 4,047 samples, including duplicates, blanks and standards, which were submitted to the SGS Tarkwa laboratory for bottle roll (BLEG) analyses (Table 4).

Table 4: Namdini Project Infill Auger Drilling (three months ended March 31, 2017)

Drill Method	Number of holes	Total (m)	Number of samples	Duplicates	Blanks	Std	Total Samples
Auger Drilling	3,682	14,357	3,682	121	124	120	4,047

Gradient Array Induced Polarisation (GAIP) and Ground Magnetic surveys were previously completed over a 19.58 km² area around the Namdini Project.

The geochemical results will be combined with the ground geophysical interpretations to delineate drill targets to extend and further enhance the gold potential of the Namdini Project area.

Ndongo Prospect (Ndongo North)

Infill shallow auger soil drilling was completed at 200m x 50m over a portion of Ndongo North, with 1,465 holes drilled totalling 5,201m, with a combined total of 1,613 samples, including duplicates, blanks and standards, which were submitted to the SGS Tarkwa laboratory for bottle roll (BLEG) analyses (Table 5).

Table 5: Ndongo North Infill Auger Drilling (three months ended March 31, 2017)

Drill Method	Number	Total	Number of	Duplicates	Blanks	Std	Total
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	of holes	(m)	samples				Samples
Auger Drilling	1,465	5,201	1,465	49	50	49	1,613

Kungongo Prospect

Infill shallow soil auger drilling was completed at 100m x 50m over the Kungongo Prospect Grid 1, with 1,852 holes drilled totalling 7,659m, with a combined total of 2,037 samples, including duplicates, blanks and standards, which were submitted to the SGS Tarkwa laboratory for bottle roll (BLEG) analyses (Table 6).

Table 6: Kungongo Infill Auger Drilling (three months ended March 31, 2017)

Drill Method	Number of holes	Total (m)	Number of samples	Duplicates	Blanks	Std's	Total Samples
Auger Drilling	1,852	7,659	1,852	61	63	61	2,037

Bongo Prospect

Shallow auger soil drilling was completed at 400m x 50m over portion of Grid 2 and the entire Grid 3 of Bongo, with 4,553 holes drilled totalling 20,722m, including duplicates, blanks and standards, which were submitted to the SGS Tarkwa laboratory for bottle roll (BLEG) analyses (Table 7).

Table 7: Kungongo Infill Auger Drilling (three months ended March 31, 2017)

Drill Method	Number of holes	Total (m)	Number of samples	Duplicates	Blanks	Std's	Total Samples
Auger Drilling Grid 2	1,135	4,283	1,135	38	37	38	1,248
Auger Drilling Grid 3	3,418	16,439	3,418	115	115	113	3,761
Totals	4,553	20,722	4,553	153	152	151	5,009

Subranum Project

Previous exploration at Subranum has established that the NE extension to the regional Bibiani Shear Zone is developed for approximately 9 km trending SW-NE across the Subranum tenement (Figure 2).

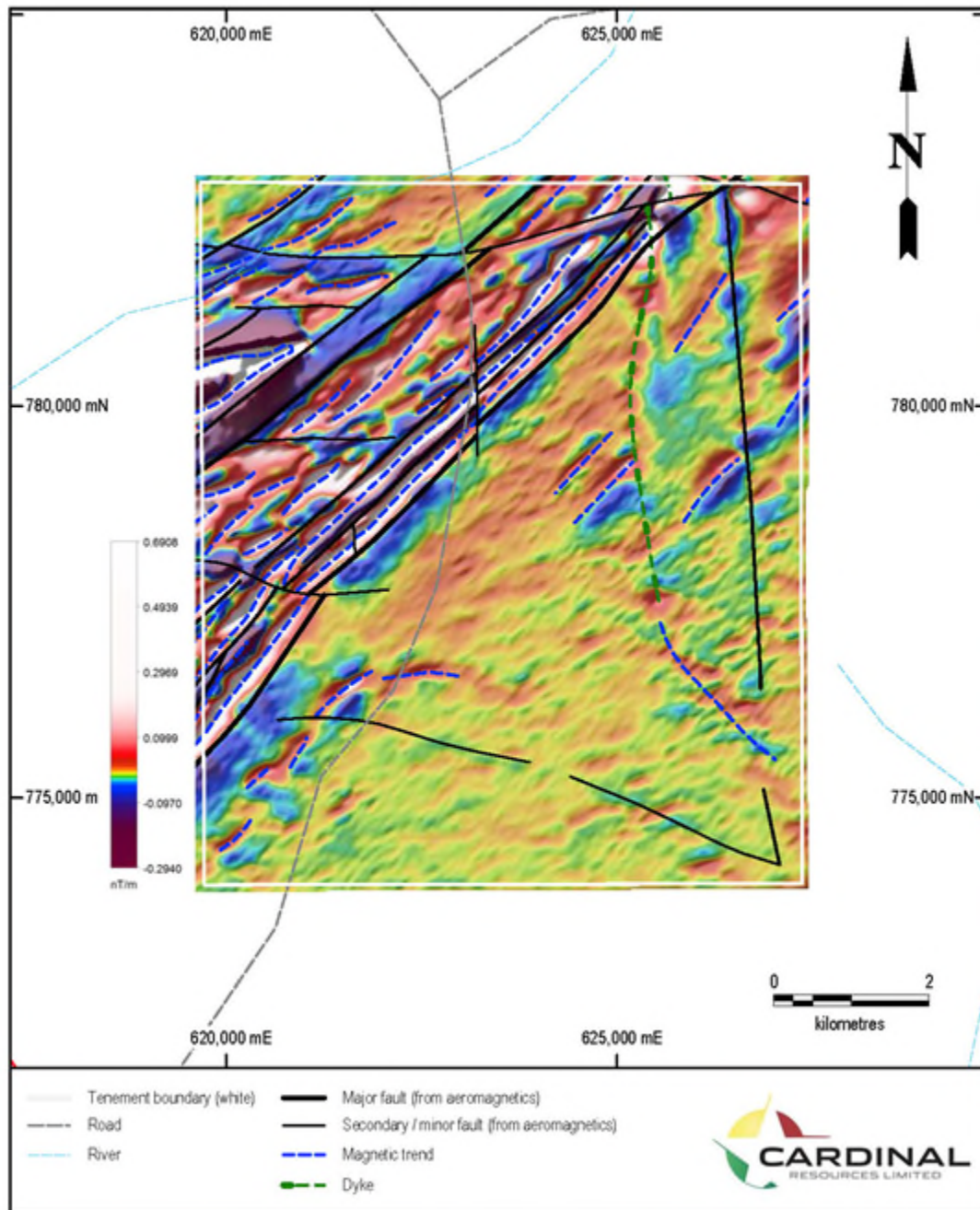


Figure 2: 2013 Airborne Survey Over Reduced to Pole First Vertical Derivative Magnetic Image

This previous exploration has established a NE trending anomalous zone of 5.2 km from the SW boundary. Previous drilling, however, had been on 11 fences of varying distances between 200m and 500m apart.

Cardinal has planned a systematic diamond drilling program to cover this 5.2 km anomalous strike length to properly evaluate the gold mineralization contained within this anomalous zone.

Clearing of the previous drill access tracks was started during the quarter ended March 31, 2017, with diamond drilling planned to start later in 2017.

A soil auger program is planned for the remaining 3.8 km strike length in the NE portion of the tenement to initially cover an approximately 400m width across the strike of the Bibiani Shear Zone. After analysis of these results, either RC or diamond drilling could be planned to further assess any anomalies.

SUMMARY OF INTERIM RESULTS

	Three Months Ended March 31, 2017	Three Months Ended Dec 31, 2016	Three Months Ended Sep 30, 2016	Six Months Ended June 30, 2016	Six Months Ended Dec 31, 2015	Six Months Ended June 30, 2015
Statements of Financial Position						
Total assets (\$)	13,327,165	19,133,568	22,842,423	5,661,536	3,638,427	1,351,751
Plant and equipment (\$)	415,150	418,357	409,410	675,911	543,902	476,644
Working capital surplus (\$)	10,803,446	16,406,193	21,862,965	3,167,635	2,697,605	484,485
Shareholders' equity (\$)	11,910,406	17,440,623	22,389,310	3,948,069	3,340,342	983,603
Statement of Comprehensive Loss						
Total Revenue (\$)	19,298	26,967	26,976	33,576	10,130	1,110
Total Comprehensive Income for the Period Attributable to Members of the Corporation (\$)	(5,964,073)	(5,113,088)	(2,225,091)	(5,772,034)	(3,471,875)	(1,586,803)
Basic and Diluted Loss Per Ordinary Share (\$)	(2.14)	(0.02)	(0.10)	(2.63)	(0.02)	(1.66)

REVIEW OF OPERATIONS

For the three and nine months ended March 31, 2017

For the three months ended March 31, 2017, the Corporation reported a net loss of \$5,964,073 or \$2.14 per Ordinary Share as compared to a net loss of \$1,633,404 or \$0.69 per Ordinary Share for the three months ended March 31, 2016. The loss attributable to shareholders was higher for the three months ended March 31, 2017 compared to the corresponding period in the prior year due the following factors:

- Exploration expenses increased during the comparative period, due mainly to the Corporation increasing exploration activity. During the three months ended March 31, 2017 exploration expenses were \$4,021,350 compared to exploration expenses of \$1,258,518 in the three months ended March 31, 2016.
- Exploration costs were incurred on the Namdini Project, with minimal expenditure on the Bolgantanga Project and Subranum Project. The increase in exploration was due to the Corporation's increase in exploration activities at the Namdini Project.

- The Corporation issued its initial resource estimated in November 2016 at the Namdini Project, and increased exploration activities after the resource was announced.
- Increased administration expenditure during the period, as a result of the Corporation's increased operational activities.

For the nine months ended March 31, 2017, the Corporation reported a net loss of \$13,302,114 or \$4.79 per Ordinary Share as compared to a net loss of \$5,105,279 or \$2.30 per Ordinary Share for the comparative period ended March 31, 2016. The loss attributable to shareholders was higher for the nine months ended March 31, 2017 compared to the corresponding period in the prior year due the following factors:

- Exploration expenses increased during the comparative period, due mainly to the Corporation increasing its exploration activity. During the nine months ended March 31, 2017 exploration expenses were \$10,258,773 compared to exploration expenses of \$4,188,840 in the nine months ended March 31, 2016.
- During the nine months ended March 31, 2017 the Corporation expedited exploration activities, specifically a diamond drill program that underpinned the Corporation's initial resource estimate at the Namdini Project. The initial resource estimate was released on November 7, 2016.
- Increased administration expenditure during the period, as a result of the Corporation's increased operational activities.
- The increase in administration expenditure was primarily due to the Corporation's proposed TSX listing resulting in an increase the Corporation's activity. The Corporation has also increased its administration operations, including an office in Perth and Toronto during the nine months ended March 31, 2017.

For the three months ended March 31, 2017, total general and administrative expenses were \$1,834,703, compared to \$656,431 for the three months ended December 31, 2016, \$300,177 for the three months ended March 31, 2016 and \$406,390 for the three months ended December 31, 2015. The difference was primarily due to the Corporation's proposed TSX listing resulting in an increase the Corporation's activity, which has resulted in \$439,100 in professional fees.

For the nine months ended March 31, 2017, total general and administrative expenses were \$2,901,235, compared to \$844,644 in the nine months ended March 31, 2016. The difference was primarily due to the Corporation's proposed TSX listing resulting in an increase the Corporation's activity. The Corporation has also increased its administration operations, including an office in Perth and Toronto during the nine months ended 31 March 2017.

The Corporation has increased administration expenditure, as a result of the Corporation's increased operational activities.

For the three months ended March 31, 2017, total exploration expenses were \$4,021,350, compared to \$1,285,518 for the three months ended March 31, 2016. Exploration costs were incurred on the Namdini Project, with minimal expenditure on the Bolgantanga Project and Subranum Project. Exploration expenses for the three months ended March 31, 2017 increased by \$2,735,832 from \$1,285,518 for the three months ended March 31, 2016. The increase in exploration expenses is due to the increase in the Corporation's exploration activities at the Namdini Project.

For the nine months ended March 31, 2017, total exploration expenses were \$10,258,773, compared to \$4,188,840 in the nine months ended March 31, 2016. Exploration costs were incurred on the Namdini Project, with minimal expenditure on the Bolgantanga Project and Subranum Project. Exploration

expenses for the nine months ended March 31, 2017 increased by \$6,069,933 from \$4,188,840 for the nine months ended March 31, 2016.

The increase in exploration expenses is due to the increase in the Corporation's exploration activities at the Namdini Project. The Corporation's primary focus is the exploration and development activities at its Namdini Project. Exploration expenses have increased, due mainly to the Corporation's increasing exploration activity. The Corporation issued its initial resource estimate in November 2016, and the increased exploration activities were necessary for the Corporation to announce the resource estimate.

During the three months ended March 31, 2017, the Corporation's focus was optimization testwork on the master composite sample reserves that remained from the 2016 metallurgical program. The objective of the optimization test work was to investigate the possibility of improving overall gold recovery with the main focus on optimizing the leach residence time and pre-leach aeration.

The Corporation's accounting policy for exploration expenditure is to expense it as incurred. The reported net loss in the Corporation's consolidated financial statements reflects the administrative expenses required to support the exploration activities in Ghana.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net Working Capital Including Cash and Cash Equivalents

As at March 31, 2017, the Corporation had \$12,195,074 in cash and cash equivalents and working capital of \$10,803,446 compared to cash and cash equivalents of \$6,263,035 and working capital of \$5,925,775 at March 31, 2016. The increase in working capital of \$4,877,671 was primarily due to \$21,750,000 being raised through a placement to sophisticated investors in August 2016, which was offset by an increase in the Corporation's activities.

As at March 31, 2017, the Corporation had \$12,195,074 in cash and cash equivalents and working capital of \$10,803,446 compared to cash and cash equivalents of \$4,864,822 and working capital of \$3,167,635 at June 30, 2016. The increase in working capital of \$7,635,811 was primarily due to \$21,750,000 being raised through a placement to sophisticated investors in August 2016, which was offset by an increase in the Corporation's activities. The Corporation issued its initial resource estimate in November 2016, and the increased exploration activities were necessary for the Corporation to announce the resource estimate.

Operating Activities

Cash used in operating activities for the three months ended March 31, 2017 was \$5,737,578, compared to \$1,375,490 during the three months ended March 31, 2016. The increase in cash used in operating activities by \$4,362,088 was primarily due to increased exploration and general and administration expenses following the Corporation's increased activity.

Investing Activities

Cash outflow from investing activities for the three months ended March 31, 2017 was \$3,487 compared to cash used of \$40,569 for the three months ended March 31, 2016. The cash used was primary due to the acquisition of plant and equipment.

Financing Activities

Cash provided by financing activities for the three months ended March 31, 2017 was \$375 compared to \$4,786,285 in the three months ended March 31, 2016. The cash provided by financing activities in the three months ended March 31, 2017 was due to exercise of options. The cash provided by the financing

activities during the three months ended March 31, 2016 was due to the March 2016 Placement, less the costs associated with the capital raising.

The funds raised in the March 2016 Placement were applied towards expediting diamond drilling at the Namdini Project, which underpinned the Corporation's maiden resource announced on November 7, 2016.

Trends in Liquidity and Capital Resources

As at March 31, 2017, the Corporation had working capital of \$10,803,446. The Corporation is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Corporation is dependent on raising additional financing to fund additional acquisitions or asset purchases and for general corporate costs. The sources of future funds presently available to the Corporation are accessing capital markets and entering into joint venture arrangements or other strategic alliances in which funding sources could become entitled to an interest in the projects. The Corporation's capital resources are largely determined by the strength of the junior resource markets, the status of the Corporation's properties or projects in relation to these markets, and its ability to compete for investor support of its corporate strategy.

RELATED PARTY TRANSACTIONS

The Corporation's related parties consist of the Corporation's directors and officers, and any companies associated with them.

Cardinal currently holds its interest in the Namdini Project through the Savannah Agreement and agreements with the holders of small scale mining licences within the area comprising the Namdini Project. Pursuant to the Savannah Agreement, CMS and Savannah agreed that CMS would have an exclusive right of first refusal to provide technical and financial support towards the development of the mining rights now comprising the Namdini Project, in exchange for which CMS would be entitled to "the entire gross mineral values" won from any mining licence in respect of which CMS provided support. On May 11, 2017, Savannah and CMS entered into an amending agreement to the Savannah Agreement that, among other things, defines "entire gross mineral values" as "the amount equal to the difference of (a) the gross proceeds received by or on behalf of, or applied for the benefit of, SML from the sale or other disposal of any mineral or metallic product extracted and recovered from the area covered by the Mining License(s) to any party other than CMS or any affiliate of CMS less (b) any taxes or royalties that were paid by SML (other than any such taxes or royalties that were paid by SML using funds provided by CMS or an affiliate of CMS)."

During the nine months ended March 31, 2017, Cardinal advanced US\$2,000,000 to Savannah, a company whose sole shareholder and director is Malik Easah, a director of the Corporation. The purpose of the advance was development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale mining licences. As at March 31, 2017, US\$1,604,000 had been applied toward the development of the mining licence, and the remainder has been recorded as a prepayment in the financial statements of Cardinal. As of the date of this prospectus, the Board has approved total payments to Savannah of up to US\$5 million in the aggregate to fund development of the mining licence.

For additional information, please see "*The Namdini Project*".

PROPOSED TRANSACTIONS

CMS acquired an interest in 13 small scale licences through a sale and purchase agreement with Savannah. Savannah applied for a mining licence, which was signed by the Minister of Lands and Natural Resources on October 12, 2016. The proposed mining licence is approximately 20 km² in size and as at March 31, 2017 was being processed by the Ghana Government prior to being final and effective.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

INITIAL ADOPTION OF ACCOUNTING STANDARDS

A number of new or amended standards became applicable for the current reporting period; however, the Corporation did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the June 30, 2017 annual report as a consequence of these amendments.

CRITICAL ACCOUNTING ESTIMATES

The accounting estimates and judgements considered to be significant to the Corporation include the valuation of share based payments, the determination of the functional currency, accounting disclosures following acquisitions, deferred income taxes, and future environmental obligations. Estimates and underlying assumptions are revised and in any future periods affected. In the three months ended March 31, 2017 the Corporation did not identify any areas where revisions to estimates and assumptions have resulted in material changes to the results of the financial position of the Corporation.

The Corporation uses the fair-value method of accounting for share-based payments related to incentive share options. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Corporation makes estimates of the expected volatility of the stock as well as an estimated risk-free interest rate and the expected life using the Black-Scholes model. Changes to these estimates could result in the fair value of the share-based payments expense being less than or greater than the amount recorded. During the three months ended March 31, 2017, the Corporation issued a Notice of Meeting to shareholders to grant 26,000,000 unlisted milestone options to Directors, officers and employees of the Corporation. The unlisted milestone options were approved at the shareholder meeting held on April 3, 2017. The unlisted milestone options were issued on April 12, 2017.

The Corporation applied judgement in determining its functional currency and the functional currency of its subsidiaries. Functional currency is determined based on commercial factors, and the currency of the entities' expenditures and exploration activities. The functional currency of the Corporation is AUD.

The Corporation measures deferred income tax assets and liabilities using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled.

The Corporation must determine if estimates of the future costs to complete rehabilitation work is required to comply with existing laws, regulations and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Corporation.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. Cash equivalents comprise of cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

MD&A FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016

The Corporation's Consolidated Financial Statements for the years ended June 30, 2016 have been prepared in accordance with IFRS as at and for the year ended June 30, 2016. The Corporation has consistently applied the same accounting policies throughout all periods presented. The Corporation's

accounting policies are provided in Note 2 “Summary of Significant Accounting Policies” in the annual Consolidated Financial Statements as at June 30, 2016. All dollar amounts are in Australian dollars, unless otherwise noted.

HIGHLIGHTS

During the year ended June 30, 2016 the Corporation continued with its corporate and project activities. It is management’s objective to ensure that 2017 delivers an uptrend in exploration activities at the Corporation’s key projects. Highlights for the year include:

- RC drilling identified wide mineralized gold zones north of original Namdini Project gold discovery
- Ground geophysical surveys completed over Namdini, Kungongo and Ndongo Far East Prospects
- The Corporation completed three private placements, which consisted of issuing:
 - 1,838,462 Ordinary Shares at \$0.065 per Ordinary Share, with one Listed Option for every new Ordinary Share issued;
 - 60,332,116 Ordinary Shares at \$0.10 per Ordinary Share, with one Listed Option for every two Ordinary Shares issued; and
 - 49,083,312 Ordinary Shares at \$0.12 per Ordinary Share.

The Corporation’s primary focus is the exploration and development activities at its Namdini Project. Exploration expenses of the Corporation for the year ended June 30, 2016 was \$7,182,584 which were mainly from exploration costs incurred at the Namdini Project.

The Corporation expenses exploration and evaluation expenditures as incurred.

Costs incurred by the Corporation at each of its tenements over the years ended June 30, 2016 and June 30, 2015 are set out below.

	Bolgatanga Project	Namdini Project	Subranum Project	Total Mineral Interest
Costs incurred during the year ended June 30, 2015 Exploration Costs (\$)	844,421	1,260,574	38,620	2,143,615
Costs incurred during the year ended June 30, 2016 Exploration Costs (\$)	320,031	6,759,341	103,212	7,182,584

Project Drilling

A total of 33 Diamond, 28 RC and 17 RC and Diamond drill holes were completed during the year ended June 30, 2016, totalling 17,016.80m. A total of 18,040 samples, including duplicates, blanks and standards, were submitted to SGS Laboratories in Burkina Faso and Ghana, for standard fire assay (Table 8). QAQC protocols were observed by the taking of duplicates (RC drilling), and inserting in-house blanks and commercial certified reference material (CRM) as standards.

Table 8: Namdini Project Drilling (year ended June 30, 2016)

Drill Method	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Standards
DD Drilling	33	10,358.92	10,510	0	250	251
RC Drilling	28	2,570.30	2,506	124	64	62
RC+DD tails	17*	4,087.58	4,004	71	98	100
Totals	78	17,016.80	17,020	195	412	413

*4 RC and DD drill holes reported with only RC portions drilled during this reporting period

The Core

The core was orientated at each drill run using a digital instrument. The core was marked showing the base of the drill hole, then the core from each drill run was laid in a length of angle iron to fit the core together so that the orientation line could be drawn along the length of the core at the drill site. Initial geotechnical parameters were measured at the drill site, with more detailed parameters measured in the core shed using this orientation line as the datum line.

The core was photographed then cut in half; one half was sampled, with the remaining half stored in metal core trays and placed on metal racks under cover in the core shed at Bolgatanga (Figure 3). The half core samples were sent to the SGS Laboratory in Burkina Faso for fire assay.



Figure 3: Core trays stacked under cover in Bolgatanga core shed

Ndongo Prospect

An 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 4).

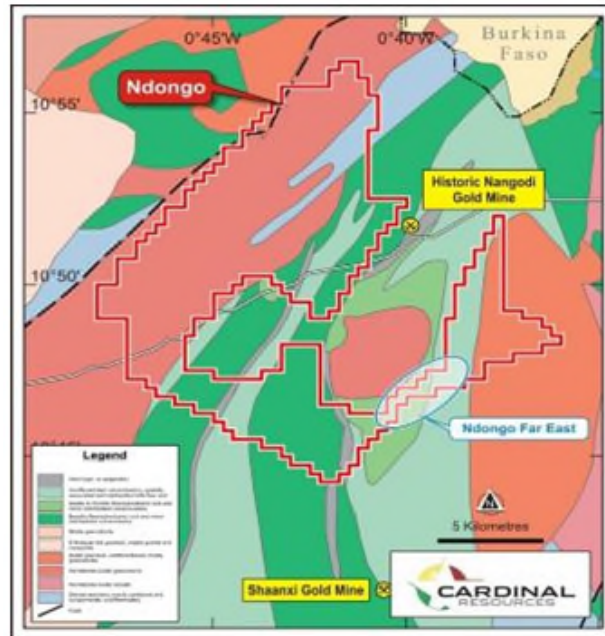


Figure 4: Ndongo Far East Prospect

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive (Figure 5).

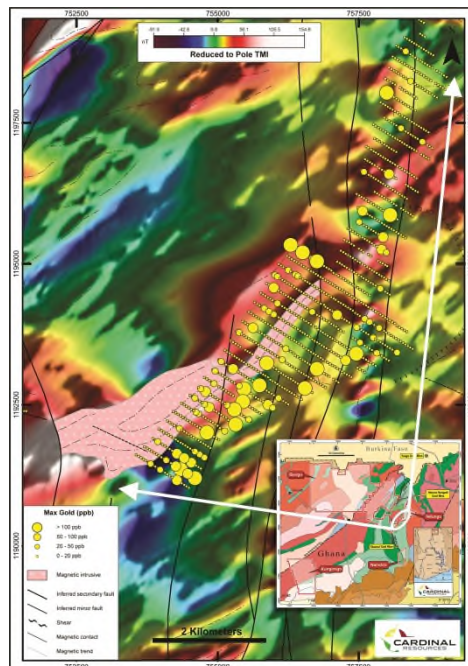


Figure 5: Ndongo Far East Prospect with gold-in-soil anomalies around magnetic intrusive

A GAIP survey over this target area has been planned which should indicate whether any gold-bearing sulphides are developed around the margins, or within, this magnetic intrusive.

As a result of the work completed to date at the Ndongo Prospect, including GAIP and GMAG ground geophysical surveys and soil auger drilling, the Corporation will delineate drill targets.

Bongo Prospect

The airborne geophysical survey over the Bongo Prospect delineated six interpreted target areas containing approximately 40 km of possible mineralized structures (Figure 6).

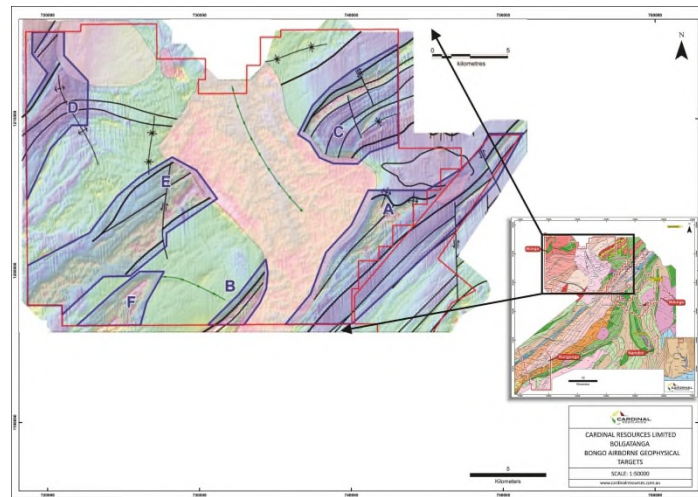


Figure 6: Bongo Prospect - 2013 airborne survey magnetic image with preliminary interpretation and six target zones

Target areas C and D were field checked to assess their suitability for GAIP surveys over them. Target C has the potential to contain base metal sulphides while Target D has the potential to contain gold-bearing sulphides.

During the quarter ended December 31, 2016, the Corporation completed soil auger surveys, and drilling is expected to be completed during Q1 2017.

Kungongo Prospect

The airborne geophysical survey over the Kungongo Prospect delineated two interpreted target areas ("A" and "B") containing possible mineralized structures (Figure 7).

Target A occurs over an approximately 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 an approximately 7 km long area underlain by Birimian greenstones and granitoids.

Target A: A GAIP survey has been planned over this area which should indicate whether any gold-bearing sulphides are developed along this shear zone (Figure 8). Once anomalous possible sulphide-bearing zones have been identified, a RC drill program is expected to be planned to assess these anomalies.

Target B: A soil sampling program over Target B is expected to be planned to identify anomalous zones, followed by a RC drill program to assess these anomalies.

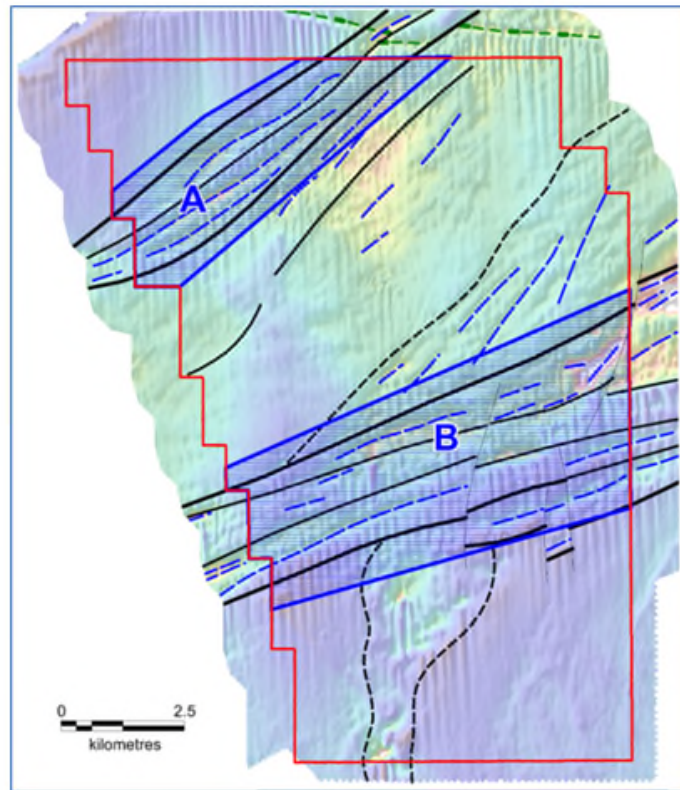


Figure 7: Kungongo – 2013 airborne survey magnetic image with preliminary interpretation and two target zones

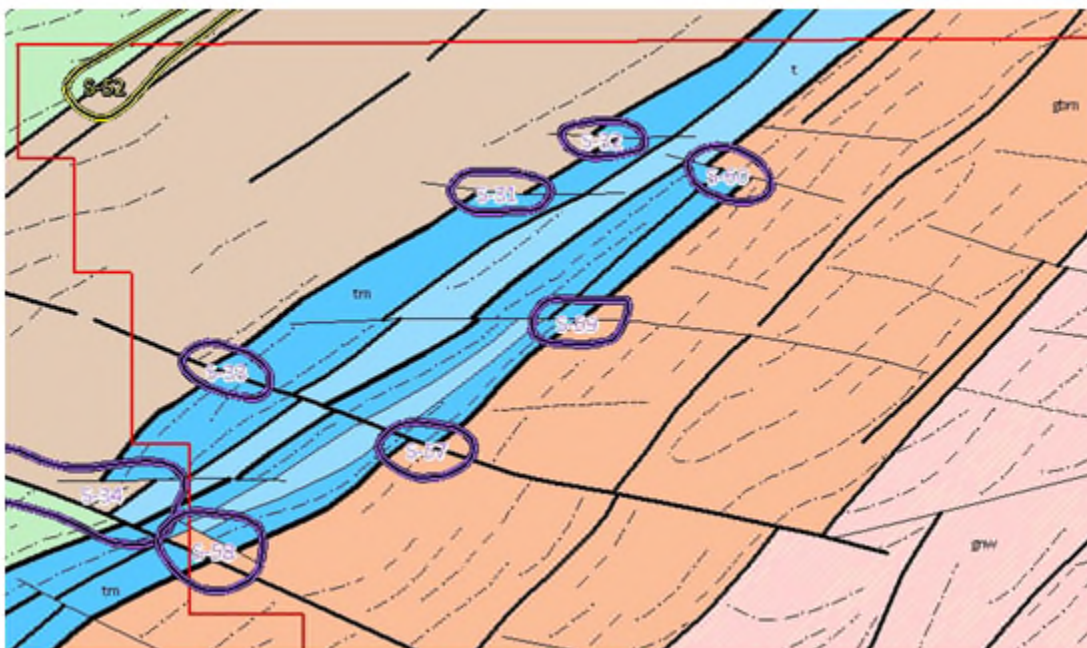


Figure 8: Target A, Kungongo Prospect with initial target areas

As a result of the work completed to date at the Kungongo Prospect, which included GAIP and GMAG ground geophysical surveys and a shallow auger drilling program the Corporation will delineate drill targets.

Subranum Project

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

To properly evaluate the gold mineralization 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 mineralization is continuous or not, and whether there is a plunge to the mineralization.

This drill program is being planned subject to seasonal conditions.

SUMMARY OF ANNUAL RESULTS

The following table presents selected financial information in Australian dollars (\$), for each of the three most recently completed financial years, and have been prepared in accordance with International Financial Reporting Standards.

Fiscal Year Ended	2016 (\$)	2015 (\$)	2014 (\$)
Statements of Financial Position			
Total assets	5,661,536	1,351,751	2,277,557
Plant and equipment	675,911	476,644	556,636
Working capital surplus	3,167,635	484,485	789,066
Shareholders' equity	3,948,069	983,603	2,150,191
Statement of Comprehensive Loss			
Net (loss) for the period	(9,243,909)	(3,580,551)	(10,164,082)
Basic and diluted (loss) per share	(5.55)	(3.82)	(13.58)

The total assets have increased for the year ended June 30, 2016 due to the cash inflow from capital raising activities for the year ended June 30, 2016 of \$12,042,719 (2015 – \$2,573,158), before associated costs.

Plant and equipment increased during the year ended June 30, 2016 due to the acquisition of assets.

Positive shareholder equity as at June 30, 2016 is a reflection of the Corporation having sufficient funds to meet its liabilities. The Corporation has no loans and funds its operations through the raising of capital.

The loss attributable to shareholders was higher for the year ended June 30, 2016 compared to prior year due to the following factors:

- Exploration expenses increased during the year, due mainly to the Corporation increasing exploration activity. The Corporation issued its initial resource estimate in November 2016, and

the increased exploration activities were necessary for the Corporation to announce the resource estimate;

- Payment for mining tenement acquisitions a Namdini; and
- Increased administration expenditure during the year, as a result of the Corporation's increased operational activities.

The Corporation's accounting policy for exploration expenditure is to expense it as incurred. The reported net loss in the Corporation's consolidated financial statements reflects the administrative expenses required to support the exploration activities in Ghana.

REVIEW OF OPERATIONS

Operating Expenses

Operating expenses for the year ended June 30, 2016 and June 30, 2015 were as set out below:

	2016 (\$)	2015 (\$)
Administration expenses	(2,090,910)	(616,772)
Depreciation expenses	(94,932)	(69,778)
Exploration expenses	(7,182,584)	(2,143,615)
Impairment expense	-	(781,903)
Loss before items below	(9,368,426)	(3,612,068)
Foreign exchange gain (loss)	2,347	111,073
Revenue	43,706	5,269
Net loss for the year	(9,322,373)	(3,495,726)
Foreign exchange translation	78,464	(84,825)
Net comprehensive loss for the year	(9,243,909)	(3,580,551)

Loss before items below for the year ended June 30, 2016 increased to a loss of \$9,368,426 compared to a loss of \$3,612,068 for the year ended June 30, 2015. The increase was primarily due to the growth in the Corporation's activities. The increased exploration activities have resulted in an increase in exploration expenses.

During the year ended June 30, 2016 the Corporation expedited exploration activities, specifically a diamond drilling program that underpinned the Corporation's initial resource estimate at the Namdini Project. The initial resource estimate was released on November 7, 2016.

During the year ended June 30, 2016 the Corporation engaged two independent drilling contractors, African Mining Services and Geodrill Limited to expedite the exploration activities at Namdini. The results would provide sufficient data for the Corporation's initial resource estimate.

Exploration costs were incurred on the Namdini Project, with minimal expenditure on the Bolgatanga Project and Subranum Project. Exploration costs expenses for the year ended June 30, 2016 increased to \$7,182,584 from \$2,143,615 for the year ended June 30, 2015. The increase in exploration is due to the Corporation's increase in exploration activities at the Namdini Project.

General administration expenses for the year ended June 30, 2016 increased to \$2,090,910 from \$616,772 for the year ended June 30, 2015. General and administrative expenses incurred during the year ended June 30, 2016 and June 30, 2015 consist of the following items:

- Investor relations expenses for the year ended June 30, 2016 increased to \$387,072 from \$72,931 the prior year. These expenses vary greatly between periods, and for the year ended June 30, 2016 represented costs associated with investor relations, consultants, investor meetings and presentations, advertising and promotion and attendance at investor conferences.
- Management fees for the year ended June 30, 2016 increased to \$1,346,336 from \$301,605 for the prior year. Management fees included the issue of incentive options to Directors of \$782,000 and an increase in management personnel.
- Travel and accommodation expenses of the Corporation for the year ended June 30, 2016 increased to \$177,101 from \$98,133 for the prior year. The increased costs were associated with more frequent travel to the Corporation's deposits and increased promotional activities of the Corporation.
- Professional fees for the year ended June 30, 2016 increased to \$312,255 from \$240,011 for the prior year. The majority of the professional fees incurred relate to routine auditing fee, accounting fees and legal fees.

The increase in general administration costs are driven by increased in the exploration activities at the Namdini Project.

The Corporation's gain from foreign exchange was \$2,347 for the year ended June 30, 2016 compared to a gain of \$111,073 for the year ended June 30, 2015.

Other Comprehensive Gain or Loss

The functional currency of the Corporation's Ghanaian subsidiaries is GHS, while the parent company, Cardinal, has retained the Australian dollar as its functional currency. Other comprehensive gain or loss is a result of the translation of the financial results of the Corporation's Ghanaian subsidiaries into Australian dollars for consolidation purposes. The cumulative effect of these translations is accounted for as part of the Corporation's equity.

For the year ended June 30, 2016 the Corporation's other comprehensive gain was \$78,464 (2015 – loss of \$84,825).

SUMMARY OF INTERIM RESULTS

Six Months Ended	30 Jun 2016	31 Dec 2015	30 Jun 2015	31 Dec 2014
Statements of Financial Position				
Total assets (\$)	5,661,536	3,638,427	1,351,751	1,604,128
Plant and equipment (\$)	675,911	543,902	476,644	616,538
Working capital surplus (\$)	3,167,635	2,697,605	484,485	828,883
Shareholders' equity (\$)	3,948,069	3,340,342	983,603	1,480,771
Statement of Comprehensive Loss				
Net (loss) for the period (\$)	(5,772,034)	(3,471,875)	(1,586,803)	(1,993,748)
Basic and diluted (loss) per share (\$)	(2.63)	(0.02)	(1.66)	(0.02)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net Working Capital including Cash and Cash Equivalents

The Corporation has historically not generated enough revenues to offset its expenses. Funding of the Corporation's exploration activities and administrative costs have been provided by equity offerings of the Corporation's securities.

The Corporation has in place a planning and budgeting process to assist in determining the funds required to support the Corporation's normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Corporation ensures that there are sufficient funds to meet its short-term and long term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Cash and cash equivalents as at June 30, 2016 was \$4,864,822 compared to \$839,755 as at June 30, 2015. Factors that could impact on the Corporation's liquidity are monitored regularly and include the market price of the Corporation's trading securities for the purposes of raising financing, exploration expenditures, and operating costs. As at June 30, 2016 the Corporation had working capital of \$3,167,635 compared to working capital of \$484,485 as at June 30, 2015.

During the year ended June 30, 2016 the Corporation completed three private placements, which consisted of issuing 111,253,890 fully paid Ordinary Shares and 46,588,751 Listed Options, for gross proceeds of \$12,042,719. The Listed Options are exercisable at \$0.15 on or before September 30, 2019.

The funds raised from the capital raising was applied towards further RC drilling and diamond drilling at the Namdini Project, payments for mining tenement acquisitions at the Namdini Project and working capital.

The increase in working capital of \$2,683,150 was primarily due to \$12,042,719 raised during the year ended June 30, 2016 from private placements, compared to \$2,573,158 raised, before costs, in private placements during the year ended June 30, 2015. The raising of capital was offset by the Corporation's increased activities.

On August 7, 2015 the Corporation issued 1,838,461 fully paid Ordinary Shares and 1,838,461 Listed Options, at \$0.065 per Ordinary Share to the Directors of the Corporation. The Ordinary Shares and Listed Options were issued on the same terms and conditions as the June 2015 Placement and their issuance was approved by Shareholders on July 27, 2015.

On September 25, 2015 and November 27, 2015 the Corporation issued 28,164,816 and 32,167,300 fully paid Ordinary Shares, respectively, at \$0.10 per Ordinary Share. 30,166,058 Listed Options were issued on November 27, 2015 in conjunction with the placement. Directors of the Corporation participated in the placement. 8,117,116 Ordinary Shares and 4,058,558 Listed Options were issued to the Directors of the Corporation, as approved by Shareholders on November 19, 2015.

On March 8, 2016 and May 9, 2016 the Corporation issued 42,666,642 and 6,416,670 fully paid Ordinary Shares, respectively, at \$0.12 per Ordinary Share. Directors of the Corporation participated in the placement. 1,750,002 Ordinary Shares were issued to the Directors of the Corporation, as approved by Shareholders on April 27, 2016.

At the date of this MD&A, the Corporation has 350,062,957 fully paid Ordinary Shares, 50 Class A Performance Shares, 60 Class C Performance Shares, 116,149,539 Listed Options and 34,000,000 Unlisted Options on issue. The weighted average exercise price of the outstanding Listed Options and Unlisted Options is \$0.15 per Ordinary Share.

Operating Activities

Cash used in operating activities for the year ended June 30, 2016 was \$7,133,409 compared to cash used of \$2,521,716 in the year ended June 30, 2015. The increased operating activities for June 30, 2016 was primarily due to increased exploration and general and administrative expenses following the Corporation's increased activity.

Investing Activities

Cash outflow from investing activities for the year ended June 30, 2016 was \$155,471 compared to cash used of \$50,465 for the year ended June 30, 2015. The cash used was primary for the acquisition of plant and equipment.

Financing Activities

Cash provided by investing activities for the year ended June 30, 2016 was \$11,334,374 compared to \$2,413,963 in the year ended June 30, 2015. The cash provided by financing activities in the year ended June 30, 2016 and June 30, 2015 was due to placements to sophisticated and institutional investors, reduced by costs associated with capital raisings.

Trends in Liquidity and Capital Resources

As at June 30, 2016, the Corporation had working capital of \$3,167,635. The Corporation is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Corporation is dependent on raising additional financing to fund additional acquisitions or asset purchases and for general corporate costs. The sources of future funds presently available to the Corporation is accessing capital markets and entering into joint venture arrangements or other strategic alliances in which funding sources could become entitled to an interest in the projects. The Corporation's capital resources are largely determined by the strength of the junior resource markets and by the status of the Corporation's properties or projects in relation to these markets, and its ability to compete for investor support of its corporate strategy.

RELATED PARTY TRANSACTIONS

The Corporation's related parties consist of the Corporation's Directors and Officers, and any companies associated with them. The Corporation incurred the following related party expenditures in the years ended June 30, 2016 and June 30, 2015:

Service or Item	Year Ended June 30, 2016	Year Ended June 30, 2015
Accounting, bookkeeping, corporate secretarial and administration fees	-	\$196,506
Total	-	\$196,506⁽¹⁾

Note

- ⁽¹⁾ Accounting, bookkeeping, corporate secretarial and administration service fees of \$196,506 were paid or payable on ordinary commercial terms during the year ended June 30, 2015 to Marshall Michael Pty Ltd, a company in which Mr. Marcus Michael was a director. Mr. Michael retired as a Director of the Corporation on June 11, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting estimates and judgements considered to be significant to the Corporation include the valuation of share based payments, the determination of the functional currency, accounting disclosures following acquisitions, deferred income taxes, and future environmental obligations. Estimates and underlying assumptions are revised and in any future periods affected. In the year ended June 30, 2016 the Corporation did not identify any areas where revisions to estimates and assumptions have resulted in material changes to the results of the financial position of the Corporation.

The Corporation uses the fair-value method of accounting for share-based payments related to incentive share options. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Corporation makes estimates of the expected volatility of the stock as well as an estimated risk-free interest rate and the expected life using the Black-Scholes model. Changes to these estimates could result in the fair value of the share-based payments expense being less than or greater than the amount recorded. During the year ended June 30, 2016, the Corporation granted 9,500,000 Unlisted Options, exercisable at \$0.22 on or before March 18, 2020 to Directors, officers, employees and consultants.

The Corporation applied judgement in determining its functional currency and the functional currency of its subsidiaries. Functional currency is determined based on commercial factors, and the currency of the entities' expenditures and exploration activities. The functional currency of the Corporation is Australian Dollar (\$).

The Corporation measures deferred income tax assets and liabilities using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled.

The Corporation must determine if estimates of the future costs to complete rehabilitation work is required to comply with existing laws, regulations and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Corporation.

MD&A FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

HIGHLIGHTS

During the year ended June 30, 2015 the Corporation continued with its corporate and project activities. Highlights for the year included:

- Namdini Project area expanded around Namdini Licence
- Contract signed to develop the Namdini Mining Licence located approximately 6 km SE of the producing Shaanxi Gold mine.
- The Corporation completed two private placements and an options entitlement issue, which consisted of issuing:
 - 18,000,000 Ordinary Shares at \$0.05 per Ordinary Share, with one Listed Option for every new Ordinary Share issued;
 - 14,584,231 Ordinary Shares at \$0.065 per Ordinary Share, with one Listed Option for every two Ordinary Shares issued; and
 - 48,118,288 Listed Options at \$0.01 per Ordinary Share.

The Corporation's primary focus is the exploration and development activities at its Namdini Project. Exploration expenses of the Corporation for the year ended June 30, 2015 was \$2,143,615 which were mainly from exploration costs incurred at the Namdini Project.

Costs incurred by the Corporation at each of its tenements over the years ended June 30, 2015 and June 30, 2014 are set out below.

	Bolgatanga Project	Namdini Project	Subranum Project	Total Mineral Interest
Costs incurred during the year ended June 30, 2014 Exploration Costs (\$)	1,883,719	1,142	13,916	1,946,496 ⁽¹⁾
Costs incurred during the year ended June 30, 2015 Exploration Costs (\$)	844,421	1,260,574	38,620	2,143,615

⁽¹⁾ During July 2014, the Corporation relinquished two exploration licences held in the Democratic Republic of Congo on which \$47,719 was expended in the year ended June 30, 2014. The Company's concentration was on its exploration activities on its projects in Ghana.

Project Drilling

During the year ended June 30, 2015, RC drilling was concentrated within the confirmed mineralized zone (Figure 9). 67 RC holes were drilled totalling 7,250m with a combined total of 8,252 samples, including duplicates, blanks and standards (Table 8), 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 material (CRM) as standards.

Table 8: Namdini Project Drilling (year ended June 30, 2015)

Drill Method	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Standards
RC Drilling	67	7,520	7,514	369	185	184

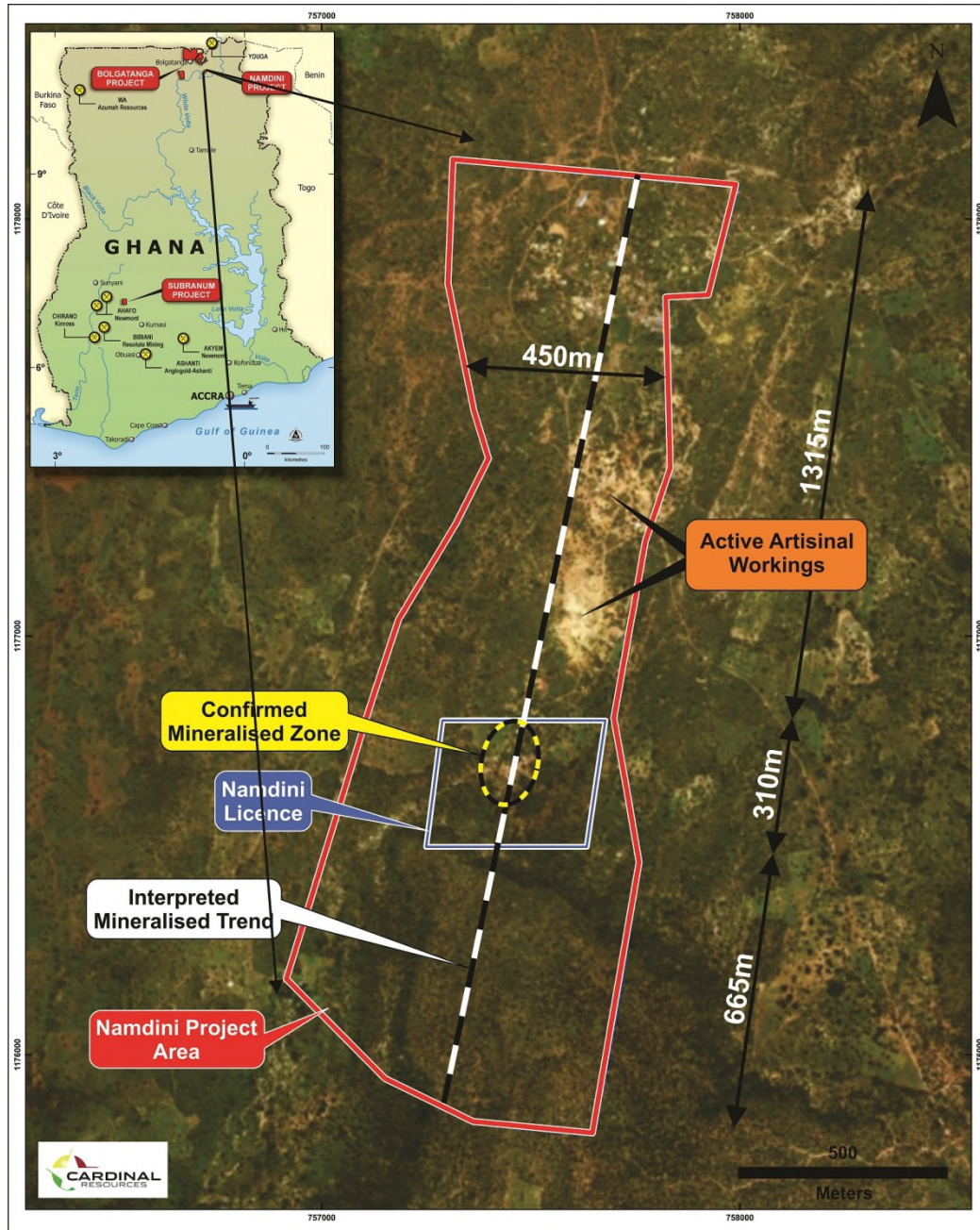


Figure 9: Namdini Project Area

Drill Method	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Standards
RC Drilling	67	7,520	7,514	369	185	184

New RC and diamond drill programs were planned to test at least three times more strike length than was drilled within the Confirmed Mineralized Zone (Figures 10 and 11).

The RC drill program was planned for up to 6,000m with 32 RC drill holes. Phase 1 was intended to determine extensions to the current mineralization within the altered volcaniclastic rocks, and Phase 2

was intended to evaluate the monzonite granitoid quartz stockworks. The RC drill programs tested a further 600m of strike length to the north.

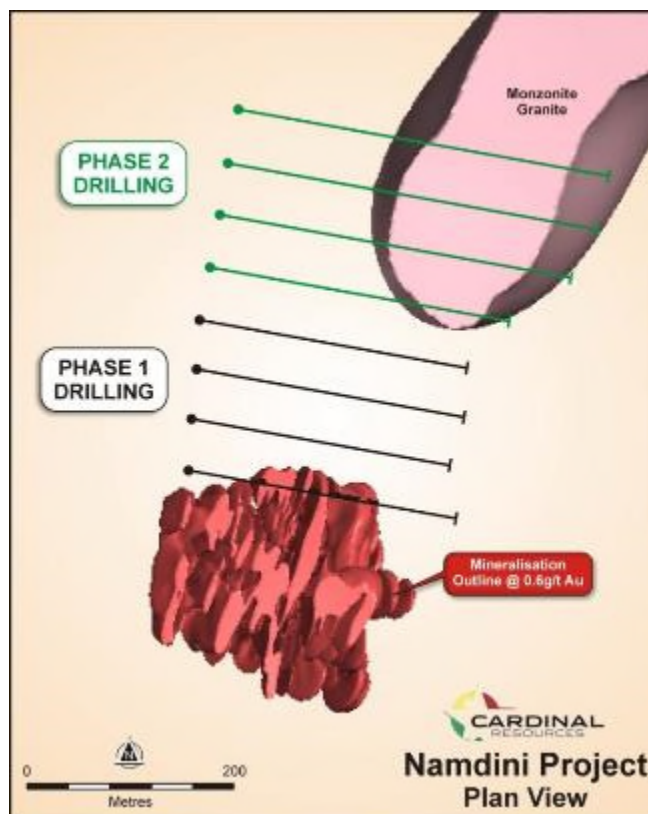


Figure 10: Namdini Project Plan View of planned drill fences

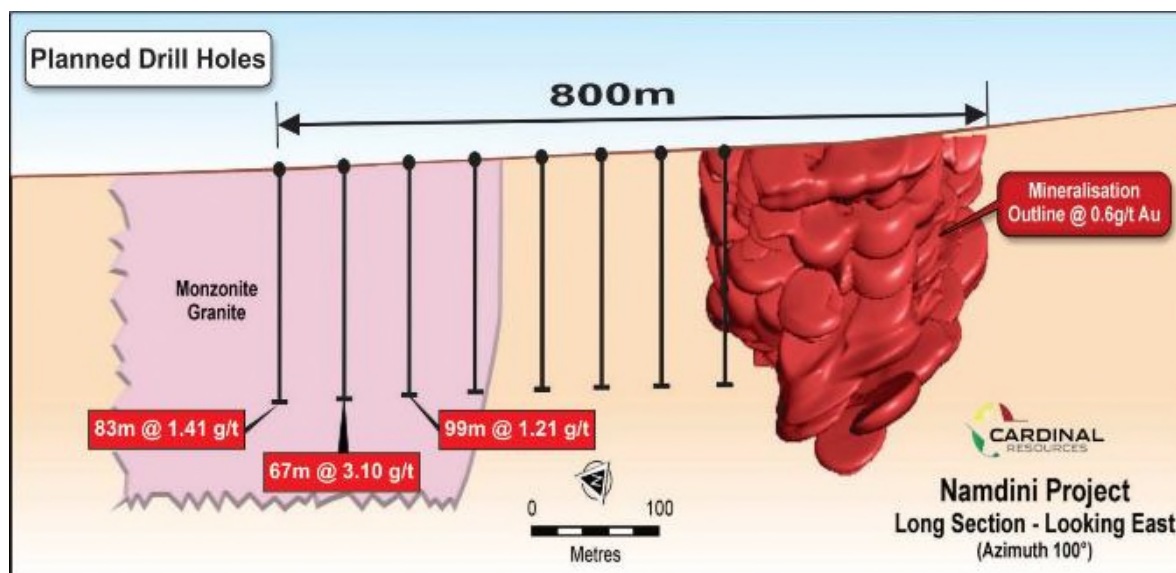


Figure 11: Long Section from Namdini Mineralization (in south), through Phase 1 and Phase 2 RC Drilling (to north)

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 12).

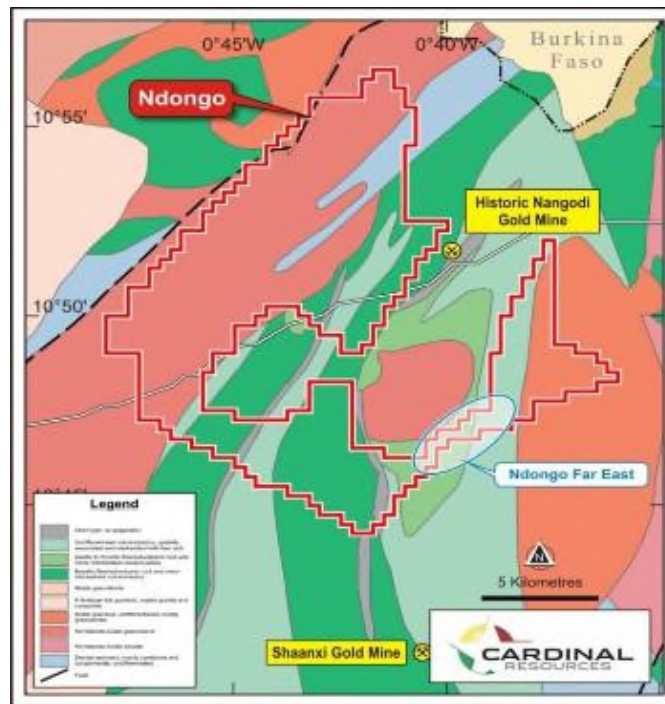


Figure 12: Ndongo Far East Prospect

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive (Figure 13).

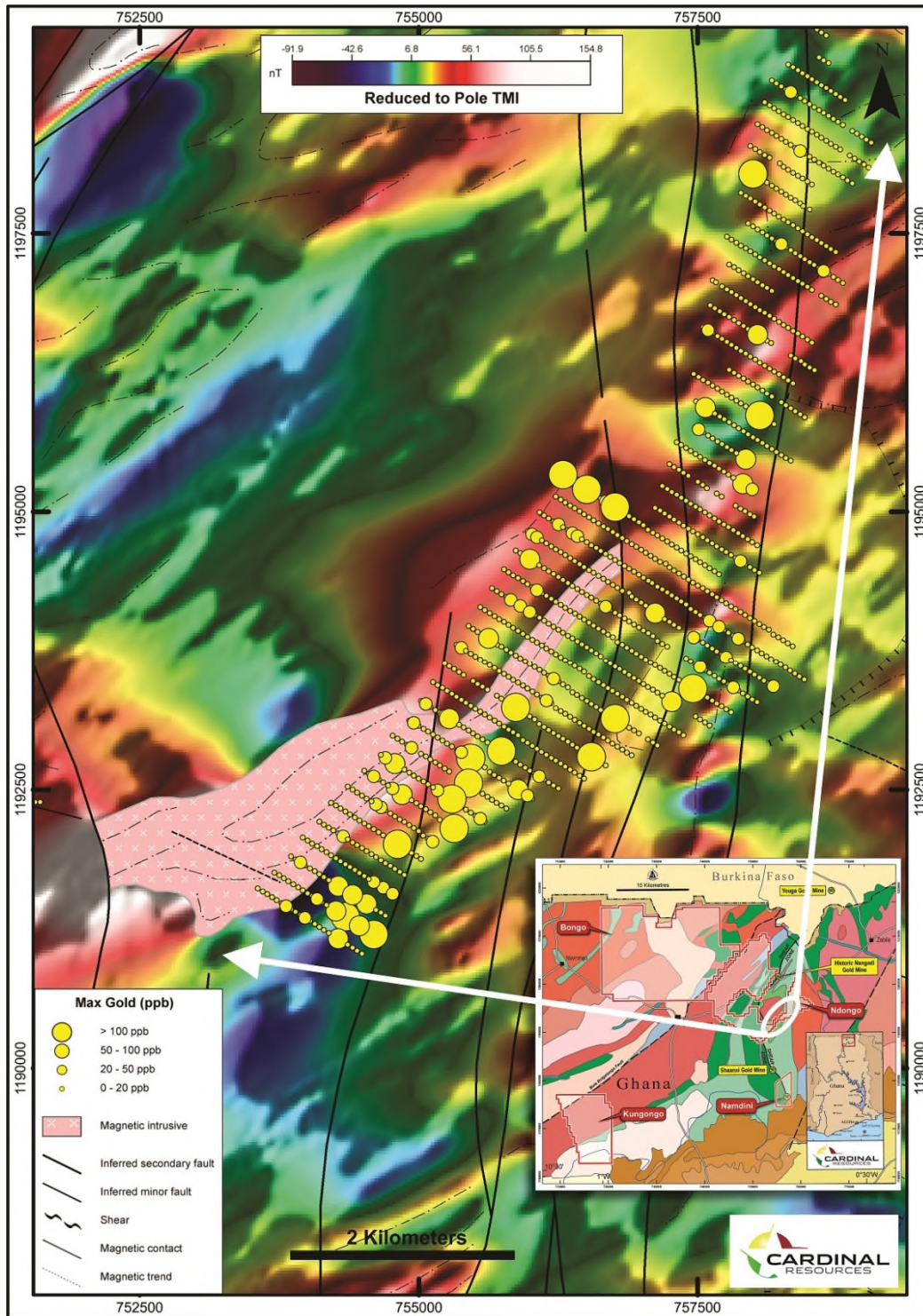


Figure 13: Ndongo Far East Prospect with gold-in-soil anomalies around magnetic intrusive

BONGO PROSPECT

The airborne geophysical survey over the Bongo Prospect delineated six interpreted target areas containing approximately 40 km of possible mineralized structures (Figure 14).

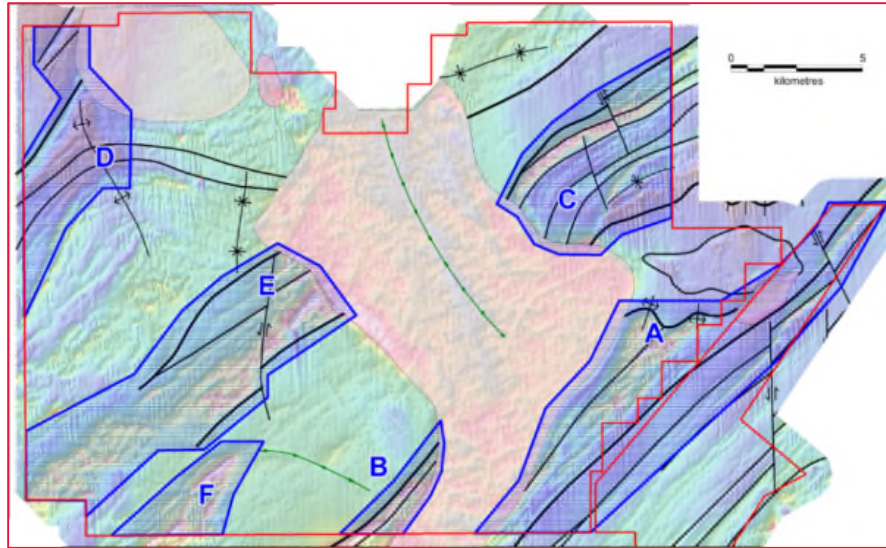


Figure 14: Bongo Prospect - 2013 airborne survey magnetic image with preliminary interpretation and six target zones

During the year 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 approximately 30 km of possible mineralized structures (Figure 15).

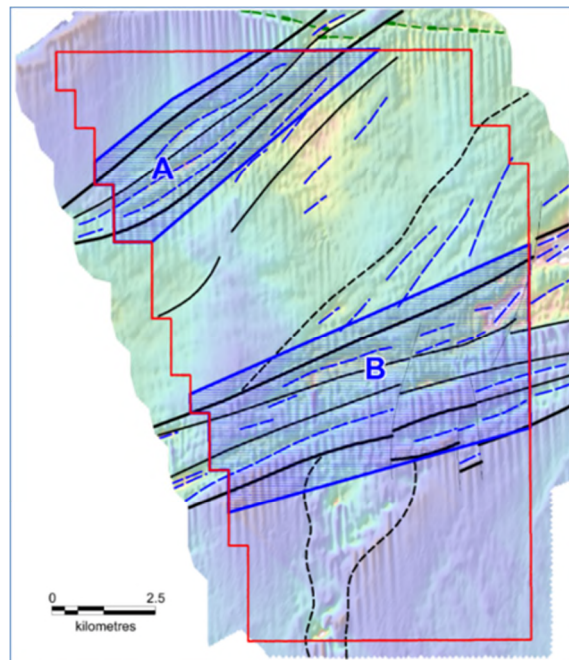


Figure 15: Kungongo – 2013 airborne survey magnetic image with preliminary interpretation and two target zones

Target A occurs over an approximately 6 km long portion of the SW extension of the regional Bole-Bolgatanga Fault (Shear) Zone which extends over northern Ghana (Figure 16).

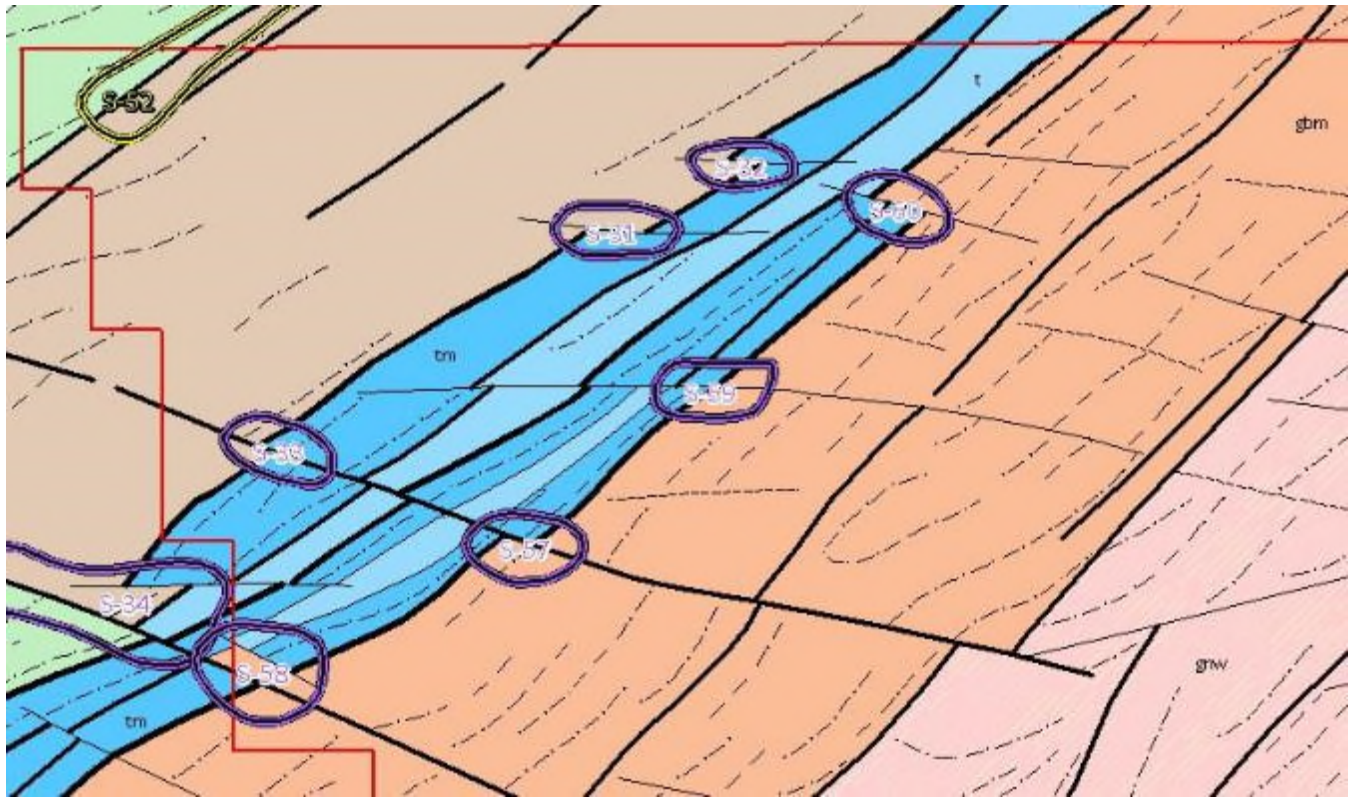


Figure 16: Target A, Kungongo Prospect with initial target areas

Target B occurs over a ~7 km long area underlain by Birimian greenstones and granitoids. A soil sampling program over Target B is intended to be planned to identify anomalous zones, followed by a RC drill program to assess these anomalies.

SUBRANUM PROJECT

Previous exploration at Subranum established that the significant anomalous zone has a 5.2 km strike length. Previous drilling, however, had been on 11 fences of varying distances between 200m and 500m apart. To evaluate the gold mineralization contained within these anomalous zones, Cardinal intends, subject to seasonal conditions, a systematic diamond drilling program at regular intervals across the strike length of these anomalies.

SUMMARY OF ANNUAL RESULTS

The following tables present selected financial information in Australian dollars (\$), for the financial years indicated, and have been prepared in accordance with International Financial Reporting Standards.

Fiscal Year Ended June 30	2015 (\$)	2014 (\$)	2013 (\$)
Statements of Financial Position			
Total assets	1,351,751	2,277,557	12,469,695
Plant and equipment	476,644	556,636	251,277
Working capital surplus	484,485	789,066	3,489,906
Shareholders' equity	983,603	2,150,191	12,314,273
Statement of Comprehensive Loss			
Net (loss) for the period	(3,580,551)	(10,164,082)	(2,007,516)
Basic and diluted (loss) per share	(3.82)	(13.58)	(4.20)

During the year ended June 30, 2015 \$2,573,158 was raised through capital raising activities and \$0 was raised during the year ended June 30, 2014. The funds raised were offset by increased operations of the Corporation.

Plant and equipment was \$476,644 at June 30, 2015 (2014 - \$556,636). The decrease in plant and equipment as at June 20, 2015 was primarily a result of depreciation of assets.

Positive shareholder equity is a reflection of the Corporation having sufficient funds to meet its liabilities. The Corporation has no loans and funds its operations through the raising of capital. The decrease in Shareholders' equity as at June 30, 2015 from June 30, 2014 was primarily attributable capitalized exploration expenditure of \$771,450 at June 30, 2014, which was impaired during the year ended June 30, 2015.

The loss attributable to Shareholders was lower for the year ended June 30, 2015 compared to the prior year because during the year ended June 30, 2014, the Corporation impaired its minerals projects. Due to market conditions, the Directors, at the time, conservatively estimated the recoverable amount of its mineral projects based on the Corporation's market capitalization. As a result, the Corporation impaired its capitalized deferred exploration and evaluation expenditure by \$7,309,500 at June 30, 2014.

The Corporation's accounting policy for exploration expenditure is to expense it as incurred. The reported net loss in the Corporation's consolidated financial statements reflects the administrative expenses required to support the exploration activities in Ghana.

REVIEW OF OPERATIONS

Operating Expenses

Operating expenses for the years ended June 30, 2015 and June 30, 2014 were as set out below:

Fiscal year ended June 30	2015 (\$)	2014 (\$)
Administration expenses	(616,772)	(566,432)
Depreciation expenses	(69,778)	(91,219)
Exploration expenses	(2,143,615)	(1,946,496)
Impairment expense	(781,903)	(7,309,500)
Loss before items below	(3,612,068)	(9,913,647)
Foreign exchange gain (loss)	111,073	(73,528)
Revenue	5,269	21,827
Net loss for the year	(3,495,726)	(9,965,348)
Foreign exchange translation	(84,825)	(198,733)
Net comprehensive loss for the year	(3,580,551)	(10,164,082)

Loss before items below for the year ended June 30, 2015 decreased to a loss of \$3,612,068 compared to a loss of \$9,913,647 for the year ended June 30, 2014. The decrease was due to the impairment expense of \$7,309,500 for the year ended June 30, 2014.

In light of the market conditions for the year ended June 30, 2014, the Directors conservatively estimated the recoverable amount of its mineral projects based on the Corporation's market capitalization. As a result, the Corporation impaired its capitalized deferred exploration and evaluation expenditure by \$7,309,500 as at June 30, 2014.

Exploration costs were predominately incurred at the Bolgatanga Project during the year ended June 30, 2014. Exploration costs expenses for the year ended June 30, 2015 increased to \$2,143,615 from \$1,946,496 for the year ended June 30, 2014.

General administration expenses for the year ended June 30, 2015 increased to \$616,772 from \$566,432 for the year ended June 30, 2014. General and administrative expenses incurred during the year ended June 30, 2015 and June 30, 2014 consisted of the following items:

- Investor relations expenses for the year ended June 30, 2015 increased to \$72,931 from \$5,345 the prior year. These expenses vary greatly between periods, and for the year ended June 30, 2015 this activity was increased and the costs represented costs associated with investor relations, consultants, investor meetings and presentations, advertising and promotion and attendance at investor conferences.
- Management fees for the year ended June 30, 2015 decreased to \$301,605 from \$549,495 the prior year. In light of the market conditions for the year ended June 30, 2015, management fees were decreased.
- Travel and accommodation expenses of the Corporation for the year ended June 30, 2015 increased to \$98,133 from \$59,389 the prior year. The increased costs were associated with more frequent travel to the Corporation's deposits and increased promotional activities of the Corporation.

- Professional fees for the year ended June 30, 2015 increased to \$240,011 from \$237,913 the prior year. The majority of the professional fees incurred relate to routine auditing fee, accounting fees and legal fees.

The increase in general administration costs was driven by increased exploration activities at the Corporation's projects.

The Corporation's gain from foreign exchange was \$111,073 for the year ended June 30, 2015 compared to a loss of \$73,528 for the year ended June 30, 2014.

Other Comprehensive Gain or Loss

The functional currency of the Corporation's Ghanaian subsidiaries is GHS, while the parent company, Cardinal has retained the Australian dollar as its functional currency. Other comprehensive gain or loss is a result of the translation of the financial results of the Corporation's Ghanaian subsidiaries into Australian dollars for consolidation purposes. The cumulative effect of these translations is accounted for as part of the Corporation's equity.

For the year ended June 30, 2015 the Corporation's other comprehensive loss was \$84,825 (2014 – loss of \$198,733).

SUMMARY OF INTERIM RESULTS

Six Months Ended	30 Jun 2015	31 Dec 2014	30 Jun 2014	31 Dec 2013
Statements of Financial Position				
Total assets (\$)	1,351,751	1,604,128	2,277,557	4,563,988
Plant and equipment (\$)	476,644	616,538	556,636	783,023
Working capital surplus (\$)	484,485	828,883	789,066	2,215,179
Shareholders' equity (\$)	983,603	1,480,771	2,150,191	4,454,996
Statement of Comprehensive Loss				
Net (loss) for the period (\$)	(1,586,803)	(1,993,748)	(2,304,805)	(7,859,277)
Basic and diluted (loss) per share (\$)	(1.66)	(0.02)	(3.14)	(0.11)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net Working Capital including Cash and Cash Equivalents

Cash and cash equivalents were \$839,755 as at June 30, 2015 compared to \$909,980 as at June 30, 2014. Factors that could impact on the Corporation's liquidity are monitored regularly and include the market price of the Corporation's trading securities for the purposes of raising financing, exploration expenditures, and operating costs. As at June 30, 2015 the Corporation had working capital of \$484,485 compared to working capital of \$789,066 as at June 30, 2014.

The decrease in working capital of \$304,581 was in large part a result of the Corporation's increased activities and was partly offset by the \$2,573,158 raised during the year ended June 30, 2015.

During the year ended June 30, 2015 the Corporation completed two private placements and an options entitlement issue, consisting of 37,464,231 fully paid Ordinary Shares and 70,998,288 Listed Options, for gross proceeds of \$2,573,158, before costs. The Listed Options are exercisable at \$0.15 on or before September 30, 2019.

On September 18, 2014 and November 10, 2014 the Corporation issued 18,000,000 fully paid Ordinary Shares and 18,000,000 Listed Options, and 4,880,000 fully paid Ordinary Shares and 4,880,000 Listed Options respectively, at \$0.05 per Ordinary Share.

On the June 5, 2015 the Corporation issued 14,584,231 fully paid Ordinary Shares, together with 14,584,231 Listed Options, at \$0.065 per Ordinary Share. On August 7, 2015 1,838,462 fully paid Ordinary Shares and 1,838,462 Listed Options were issued to the Directors of the Corporation. The Ordinary Shares and Listed Options issued to Directors were issued on the same terms and conditions as the June 2015 Placement, as approved by Shareholders on July 27, 2015.

During the year the Corporation raised \$481,183 through an options entitlement issue prospectus dated September 23, 2014. The options entitlement issued offered 45,678,288 options, exercisable at \$0.15 on or before September 30, 2019, on the basis of one (1) option for every two (2) Ordinary Shares held by Shareholders, at an issue price of \$0.01 per option.

Operating Activities

Cash used in operating activities for the year ended June 30, 2015 was \$2,521,716 compared to cash used of \$2,523,112 in the year ended June 30, 2014. There was no material increase in operating expenditures due to the Corporation's limited cash reserves.

Investing Activities

Cash outflow from investing activities for the year ended June 30, 2015 was \$50,465 compared to cash used of \$130,649 for the year ended June 30, 2014. The cash used was primary due to the acquisition of plant and equipment.

Financing Activities

Cash provided by investing activities for the year ended June 30, 2015 was \$2,413,963 compared to \$0 in the year ended June 30, 2014. The cash provided by financing activities in the year ended June 30, 2015 was due to a placement to sophisticated and institutional investors.

Trends in Liquidity and Capital Resources

As at June 30, 2015, the Corporation had working capital of \$484,485. The Corporation is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Corporation is dependent on raising additional financing to fund additional acquisitions or asset purchases and for general corporate costs. The sources of future funds available to the Corporation is accessing capital markets and entering into joint venture arrangements or other strategic alliances in which funding sources could become entitled to an interest in the projects. The Corporation's capital resources are largely determined by the strength of the junior resource markets and by the status of the Corporation's properties or projects in relation to these markets, and its ability to compete for investor support of its corporate strategy.

RELATED PARTY TRANSACTIONS

The Corporation's related parties consist of the Corporation's Directors and Officers, and any companies associated with them. The Corporation the following related party expenditures in the years ended June 30, 2014 and June 30, 2014:

Service or Item	Year Ended June 30, 2015	Year Ended June 30, 2014
Accounting, bookkeeping, corporate secretarial and administration fees ⁽¹⁾	\$196,506	\$160,542
Legal Fees ⁽²⁾	-	\$5,926
Total	\$196,506	\$166,468

Note

- (1) Accounting, bookkeeping, corporate secretarial and administration service fees of \$196,506 (2014: \$160,542) were paid or payable on ordinary commercial terms during the year to Marshall Michael Pty Ltd, a company in which Mr. Marcus Michael was a director. Mr. Michael retired as a Director of the Corporation on June 11, 2015.
- (2) Legal fees of \$5,926 were paid or payable on ordinary commercial terms during the year ended June 30, 2014 to Drumgaghan Pty Ltd, of which Mr. Jeremy Shervington is a director. Mr. Shervington retired as a Director of the Corporation on December 28, 2012.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting estimates and judgements considered to be significant to the Corporation include the valuation of share based payments, the determination of the functional currency, accounting disclosures following acquisitions, deferred income taxes, and future environmental obligations. Estimates and underlying assumptions are revised and in any future periods affected. In the year ended June 30, 2016 the Corporation did not identify any areas where revisions to estimates and assumptions have resulted in material changes to the results of the financial position of the Corporation.

The Corporation uses the fair-value method of accounting for share-based payments related to incentive share options. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Corporation makes estimates of the expected volatility of the stock as well as an estimated risk-free interest rate and the expected life using the Black-Scholes model. Changes to these estimates could result in the fair value of the share-based payments expense being less than or greater than the amount recorded. During the year ended June 30, 2016, the Corporation granted 9,500,000 Unlisted Options, exercisable at \$0.22 on or before March 18, 2020 to Directors, officers, employees and consultants.

The Corporation applied judgement in determining its functional currency and the functional currency of its subsidiaries. Functional currency is determined based on commercial factors, and the currency of the entities' expenditures and exploration activities. The functional currency of the Corporation is Australian Dollar (\$).

The Corporation measures deferred income tax assets and liabilities using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled.

The Corporation must determine if estimates of the future costs to complete rehabilitation work is required to comply with existing laws, regulations and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Corporation.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. Cash equivalents comprise of cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

Financial Instrument	June 30, 2015 (\$)	June 30, 2014 (\$)
Cash and cash equivalents	839,755	909,980
Accounts payable and accrued liabilities	368,148	127,366

PRINCIPAL SECURITYHOLDERS

To the knowledge of the Corporation, other than as disclosed herein, no person or corporation owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Ordinary Shares.

To the knowledge of the Corporation, 1832 Asset Management LP – Dynamic Fund beneficially owns 36,227,379 Ordinary Shares, representing approximately 10.37% of the issued and outstanding Ordinary Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the name, municipality of residence, positions held with the Corporation, number of securities beneficially owned or controlled or directed as of the date of this prospectus and principal occupation during the preceding five years of each of the current directors and executive officers of the Corporation.

Name and Province and Country of Residence	Office Held and Time as Director or Officer	Number and Class of Securities Beneficially Owned or Controlled	Biography
Kevin Tomlinson ⁽¹⁾ London, United Kingdom	Director, Non-Executive Chairman (since appointment to Board on November 7, 2016)	Ordinary Shares: 0 Listed Options: 400,000 Unlisted Options: 5,000,000 Class A Performance Shares: 0 Class C Performance Shares: 0	<p>Mr. Tomlinson possesses over 30 years' experience in Geology and Finance with enormous experience within the Toronto, Australian and London Stock Exchanges.</p> <p>Mr. Tomlinson holds an MSc in Structural Geology and a Grad Dip in Finance. From 1998 Mr. Tomlinson has worked in the finance sector raising over US\$2 billion in equity.</p> <p>Mr. Tomlinson was previously Managing Director of Investment Banking at Westwind Partners/Stifel Nicolaus where he advised a number of resource companies including Centamin Plc, Platinum Group Metals, Trelawney Resources and Allied Gold. He was also an integral part of the team raising finance for Osisko Mining and Semafo Inc.</p> <p>Mr. Tomlinson was Director of Natural Resources at Williams de Broë and Head of Research for Hartleys Ltd in Australia. Recent Directorships include Centamin Plc (producer), Orbis Gold (developer) and Medusa Mining (producer) where he chaired the company through growth from \$30m to over \$700m market capitalization in less than 4 years.</p> <p>Mr. Tomlinson is a Fellow of the Institute of Directors, a Fellow of the Chartered Institute for Securities & Investment and a Liveryman of the Worshipful Company of International Bankers.</p>
Archie Koimtsidis Western Australia, Australia	Managing Director (since December 27, 2012)	Ordinary Shares: 8,117,565 Listed Options: 4,191,731 Unlisted Options: 7,500,000 Class A Performance Shares: 10	<p>Mr. Koimtsidis has 26 years' experience in business in Ghana and has for the last 23 years been involved in all facets of gold exploration, discovery, production and refining in West Africa and South America. His most recent appointment prior to joining Cardinal was as the Deputy Country Manager of Ghana for PMI Gold Limited, a joint TSXV- and ASX-listed company. During this time, he was responsible for all field operational matters including coordination of exploration, drilling programs and human resource management relation to the Corporation's projects in Ghana.</p> <p>Mr. Koimtsidis has been instrumental in acquiring the Ghanaian Projects on behalf of Cardinal and has a unique knowledge and understanding of geopolitical and operational matters relating to resources projects in West Africa.</p>

Name and Province and Country of Residence	Office Held and Time as Director or Officer	Number and Class of Securities Beneficially Owned or Controlled	Biography
Malik Easah, Accra, Ghana	Executive Director (since December 27, 2012; last elected November 3, 2014)	Ordinary Shares: 7,681,815 Listed Options: 6,560,423 Unlisted Options: 6,000,000 Class A Performance Shares: 10 Class C Performance Shares: 60 ⁽²⁾	Mr. Malik Easah is the principal of successful alluvial mining operations in the North West Adansi Gold Obotan concession and is currently developing additional payable gold permits within the Ashanti and Nangodi Gold belts of Ghana. Mr. Easah specializes in the manufacture of alluvial gold wash plants and recovery equipment and is regarded as an authority in the development of alluvial mining operations in Ghana. Mr. Easah has worked in the mining industry in Ghana for 12 years.
Mark Connelly ^{(1) (3)} Western Australia, Australia	Non-Executive Director (since November 19, 2015; last elected November 7, 2016)	Ordinary Shares: 0 Listed Options: 0 Unlisted Options: 3,500,000 Class A Performance Shares: 0 Class C Performance Shares: 0	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 US\$570 million deal. Previously, he was Chief Operating Officer of Endeavour Mining Corporation following its merger with Adamus Resources Limited where he was Managing Director and CEO. 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.
Simon Jackson ^{(1) (3)} Western Australia, Australia	Non-Executive Director (since August 31, 2015; last elected November 19, 2015)	Ordinary Shares: 1,000,000 Listed Options: 500,000 Unlisted Options: 3,500,000 Class A Performance Shares: 0 Class C Performance Shares: 0	Simon Jackson is a Chartered Accountant with over 25 years gold industry experience in Australia and Africa. Mr. Jackson is the CEO and Managing Director at Beadell Resources Ltd, a Brazilian gold producer. Prior to this he was the Vice President Corporate Development and formerly the Chief Financial Officer for Red Back Mining Inc prior to its takeover by Kinross Gold Corporation in September 2010. He was an integral part of the senior management team that saw Red Back's market capitalization grow from C\$40 million in 2004 upon listing on TSX to over C\$9 billion on takeover. Mr. Jackson holds a Bachelor of Commerce degree from the University of Western

Name and Province and Country of Residence	Office Held and Time as Director or Officer	Number and Class of Securities Beneficially Owned or Controlled	Biography
			Australia and is a Fellow of the Institute of Chartered Accountants in Australia, initially spending 7 years with KPMG.
Bruce Lilford	Project Manager (since January 3, 2017)	Ordinary Shares: 0 Listed Options: 148,148 Unlisted Options: 2,500,000 Class A Performance Shares: 0 Class C Performance Shares: 0	<p>Mr. Bruce Lilford comes from Amec Foster Wheeler, a global mining, oil and gas engineering consultancy. He has more than 20 years' project management experience in the international mining industry, encompassing all phases of the Namdini Project life cycle from desktop studies to project execution.</p> <p>A qualified Metallurgist, Mr. Lilford has recently project managed a gold-sulphide bankable feasibility study for a Saudi Arabian client. Mr. Lilford managed all disciplines of the study from geology, geotechnical, mining, process, infrastructure, environmental through to mine closure. He was also responsible for the financial modelling of the study.</p> <p>Mr. Lilford also successfully project managed a gold project in the Philippines, which is currently in operation. He has worked on projects globally including Africa, Australia, Asia Pacific and Canada.</p> <p>Originally from gold operations in South Africa, he brings operational, extensive process engineering and project management expertise to Cardinal. Mr. Lilford will play an instrumental role in the development of the Namdini Project with a specific focus on completing a successful metallurgical test work program.</p>
Paul Abbott Accra, Ghana	Exploration Manager (since December 27, 2012)	Ordinary Shares: 0 Listed Options: 0 Unlisted Options: 3,500,000 Class A Performance Shares: 0 Class C Performance Shares: 0	<p>Paul Abbott holds an MSc in Exploration Geology. He has more than 45 years of international exploration and mining geology experience, mainly within Africa, covering a broad range of geological and geotechnical terrains and a wide variety of metals & minerals, including gold, platinum, diamonds, coal & oil shale, limestone, base metals (Ni, Cu, Co, V), uranium and chrysotile asbestos.</p> <p>Mr. Abbott worked in southern Africa for 20 years and is credited with the major discovery of a previously untested, 10 Moz platinum deposit within the Bushveld Igneous Complex at Brits, South Africa (Crocodile River Mine).</p> <p>Mr. Abbott has worked in West Africa for more than 25 years, in Ghana, Burkina Faso, Cote d'Ivoire, Guinea Conakry and Senegal, and is</p>

Name and Province and Country of Residence	Office Held and Time as Director or Officer	Number and Class of Securities Beneficially Owned or Controlled	Biography
			credited with the discovery of several gold deposits in the sub-region. These include but are not limited to: <ul style="list-style-type: none"> The substantial increase of the gold resources of the Obotan Project (now Asanko – TSX:AKG), Ashanti Region, Ghana from 1.0 Moz to 4.5 Moz Au; The major discovery and delineation of a previously unknown, 4.1 Moz gold deposit at Namdini, Bolgatanga area, Upper East Region, Ghana.
Sarah Shipway Western Australia, Australia	Interim Chief Financial Officer and Company Secretary	Ordinary Shares: 75,000 Listed Options: 0 Unlisted Options: 0 Class A Performance Shares: 0 Class C Performance Shares: 0	Sarah Shipway was appointed Company Secretary of the Corporation on December 27, 2012 and interim chief financial officer on April 24, 2017. Prior to joining the Corporation, Ms. Shipway was an accountant. Ms. Shipway has a Bachelor of Commerce from Murdoch University and is a member of the Institute of Chartered Accountants. Ms. Shipway is also non-executive director for Beacon Minerals Limited and St. George Mining Limited.

Notes

- (1) Member of the Audit and Risk Committee.
- (2) Mr. Easah is the sole shareholder of Savannah Mining Ghana Limited, which holds the 60 outstanding Class C Performance Shares. For a description of the conversion conditions for the Class C Performance Shares, see “*Description of Share Capital*” above.
- (3) Member of the Remuneration and Nomination Committee.

The term of office of each of the Directors (other than the Corporation’s Managing Director) expires at the end of the third annual general meeting of Shareholders of the Corporation after such Director’s last election or appointment, provided that one-third of the Directors (other than the Managing Director) must retire at each annual general meeting. Retiring Directors are eligible for re-election. The term of office of the Corporation’s Managing Director expires at the discretion of the Corporation’s directors, in accordance with his employment contract. When required, the Corporation intends to apply for exemptions from the TSX requirements relating to director elections.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as otherwise disclosed in this prospectus, no director or executive officer of the Corporation has, within the ten years prior to the date of this document, been a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that (i) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of an issuer, resulted in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than thirty 30

consecutive days and which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

Except as otherwise disclosed in this prospectus, no current or proposed director or officer or securityholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement for compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No current director or officer or securityholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the last ten years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or securityholder.

No current or proposed director or officer or securityholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Simon Jackson served as a director of RB Energy Inc. ("**RB Energy**"), which on October 13, 2014, announced that its board of directors had approved an application for an initial order from the Québec Superior Court (the "**QCSC**") to commence proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). On October 14, 2014 the QCSC issued a limited initial order and on October 15, 2014 the QCSC issued an amended and restated initial order in respect of RB Energy and certain of its subsidiaries under the CCAA. The Toronto Stock Exchange de-listed RB Energy's common shares effective at the close of business on November 24, 2014 for failure to meet the continued listing requirements of the exchange. Mr. Jackson ceased to be a director of RB Energy on April 1, 2015.

Kevin Tomlinson served as a director of Maudore Minerals Ltd. ("**Maudore**") until May 22, 2014, and of Besra Gold Inc. ("**Besra**") until April 10, 2015.

On September 8, 2014, Maudore announced that it had filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**"). On March 2, 2015, Maudore announced that the Superior Court of the Province of Quebec (the "**Court**") had granted an order whereby Maudore's proposal to creditors, which had initially been filed under the BIA, had been continued under the CCAA and that the Court had granted an initial stay of proceedings under the CCAA. Maudore made further announcements on March 27, 2015, June 19, 2015, September 22, 2015 and February 29, 2016 that the Court had granted extensions of the stay of proceedings under the CCAA. On May 16, 2016, Maudore announced that Maudore had, under the BIA, made an assignment of its property to a trustee for the benefit of its creditors generally.

On October 19, 2015, Besra announced that its board of directors had decided to file a notice of intention to make a proposal (the "**Notice of Intention**") under the BIA. On January 29, 2016, Besra announced that, through its appointed proposal trustee, it had submitted a proposal (the "**Proposal**") to its creditors in accordance with the Notice of Intention to make a proposal. The Proposal was subsequently amended on March 13, 2016 (the "**Amended Proposal**"). A meeting of creditors (the "**Meeting**") was initially called for March 17, 2016 and was adjourned until April 7, 2016 in order to permit creditors to consider the Amended Proposal.

On April 7, 2016, Besra announced that at the Meeting, the Amended Proposal had been approved by a majority of unsecured creditors holding in excess of two-thirds of the value of proven unsecured creditor claims. The Amended Proposal was approved by the Ontario Superior Court of Justice (Commercial List) on May 17, 2016.

On December 17, 2014, the OSC issued a temporary cease trade order for the securities of Besra, and on December 29, 2014, the OSC issued a further cease trade order directing that trading in the securities of Besra cease until further order by the Director (together, the “**Besra Cease Trade Order**”). The British Columbia Securities Commission issued a cease trade order on December 17, 2014; the Autorité des marchés financiers issued a cease trade order on January 5, 2015; and the Alberta Securities Commission issued a cease trade order on March 30, 2015.

The OSC partially revoked the Besra Cease Trade Order on March 4, 2015 to permit trades and acts in furtherance of trades in connection with a proposed private placement financing by Besra for proceeds of up to C\$15 million. On April 7, 2015, the first tranche of such financing, with gross proceeds of C\$2 million, was completed. Besra received no further proceeds from such financing.

On October 14, 2016, the OSC issued an order (the “**October 2016 Order**”) partially revoking the Besra Cease Trade Order to permit trades and acts in furtherance of trades that are necessary for and are in connection with the Amended Proposal and a \$10 million tranche of an exit financing. The October 2016 Order was subsequently varied by the OSC on November 18, 2016, and Besra announced on November 18, 2016 that it had closed a C\$10 million “exit financing” and intended to deliver to the Proposal trustee the consideration necessary to satisfy the elections made by creditors under the Proposal. Besra expects that once all requirements of the Proposal have been satisfied, the Proposal trustee will issue a certificate of full performance.

In October 2014 trading in the common shares of Besra on the ASX was suspended and Besra's common shares were delisted from the TSX because of Besra's failure to file its financial statements for the year ended June 30, 2014.

Conflicts of Interest

Circumstances may arise where members of the Board or officers of the Corporation are directors or officers of companies that are in competition with the interests of the Corporation. Directors are required to act honestly and in good faith with a view to the best interests of the Corporation. In addition, Directors in a conflict of interest position are required to disclose certain conflicts to the Corporation and to abstain from voting in connection with the matter. To ensure compliance with the Corporations Act and the Corporation's constitution, the Board has adopted policies and procedures to ensure that (i) directors who have an interest in a matter that the Board is considering or upon which the Board is voting fully disclose such interest, which is recorded in the Board minutes; (ii) any affected director is excluded from all considerations of the matter by the Board; and (iii) the relevant director does not receive any part of Board materials that make reference to such matter.

As at the date of this prospectus, the Corporation was not aware of any existing or potential material conflicts of interest between the Corporation and a subsidiary of the Corporation and a director or officer of the Corporation or of a subsidiary of the Corporation.

EQUITY-BASED COMPENSATION ARRANGEMENTS

An employee option plan (the “**Option Plan**”) was approved by Shareholders at the Corporation's November 19, 2015 annual general meeting. The objectives of the Option Plan are to assist the Corporation in retaining and motivating employee directors, officers, employees and service providers (together the “**eligible employees**”) of the Corporation and its affiliates, to recognize the contributions of eligible employees to the performance and success of the Corporation and its affiliates and to align the

personal interests of eligible employees with the interests of the Corporation, its affiliates and its Shareholders.

Under the Option Plan, the Corporation may offer options to purchase Ordinary Shares (each, a “**Plan Option**”) to eligible employees. The number of Plan Options that may be outstanding at any time must not exceed 10% of the number of issued and outstanding Ordinary Shares at such time. As of the date of this prospectus, there are no Plan Options outstanding under the Option Plan.

The Remuneration and Nomination Committee is responsible for the administration of the Option Plan. When an eligible employee satisfies specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Remuneration and Nomination Committee may make a written offer (“**Offer**”), in the prescribed form, of Plan Options to such eligible employee. Eligible employees may accept an Offer in whole or in part at their discretion.

The number of Plan Options that are offered to an eligible employee and any conditions on the exercise of Plan Options are entirely within the discretion of the Remuneration and Nomination Committee. Each Plan Option will, upon vesting, entitle the holder, on payment of the exercise price, to one Ordinary Share. Plan Options will vest, subject to the discretion of the Remuneration and Nomination Committee, as to one third of the Plan Options on the first anniversary of the grant date, as to one third of the Plan Options on the second anniversary of the grant date and as to one third of the Plan Options on the third anniversary of the grant date. The exercise price of a Plan Option is set by the Remuneration and Nomination Committee, at its absolute discretion, at the time of the Offer. Plan Options are granted for nil consideration, have a maximum term to expiry of six years and, upon vesting, can be exercised until expiry date, subject to service conditions. Plan Options will lapse where the eligible employee ceases to be an eligible employee of the Corporation or its affiliate, the Plan Option exercise conditions are not met or the expiry date has passed.

The Option Plan sets out limits on the number of Plan Options that may be offered within specified time periods, including a general limit that restricts the number of Plan Options available for issuance to 10% of the Corporation’s total number of Ordinary Shares outstanding.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis (“**CD&A**”) is to provide information about the Corporation’s philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation that has been and is expected to continue to be provided to the Corporation’s Managing Director (“**MD**”), whose role is akin to that of a chief executive officer)), Executive Director, interim Chief Financial Officer, and Exploration Manager (collectively the “**Named Executive Officers**” or “**NEOs**”).

Compensation Philosophy and Objectives

The Corporation’s executive compensation program is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. The Remuneration and Nomination Committee sets and approves the compensation arrangements for the NEOs based on local and international trends among comparable companies and the industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. The Board has previously obtained independent advice when it was considered

necessary to confirm that the Corporation's executive compensation is in line with market practice and is reasonable within Australian executive reward practices.

Compensation Process and Remuneration and Nomination Committee

The Corporation has established a remuneration and nomination committee (the “**Remuneration and Nomination Committee**”), whose mandate includes assisting the Board in fulfilling its responsibilities with respect to remuneration by reviewing and making recommendations with respect to: (i) the compensation of senior executives (including the NEOs and Directors); (ii) employee incentive and equity-based compensation plans, including the appropriateness of performance hurdles and total payments proposed; (iii) recruitment, retention and termination policies for senior executives; and (iv) superannuation arrangements. The Remuneration and Nomination Committee is also responsible for reviewing, identifying and mitigating risks associated with the Company's compensation policies.

The members of the Remuneration and Nomination Committee are Mark Connelly (Chairman) and Simon Jackson. The Remuneration and Nomination Committee is required to meet at least once a year. The Remuneration and Nomination Committee was established in August 2016, and has held two meetings since it was established.

Remuneration and Nomination Committee adheres to the Remuneration and Nomination Committee charter, which is available on the Corporation's website. The members of the Remuneration and Nomination Committee are independent directors and have sufficient experience relevant to their responsibilities. For details in relation to the skills and experience of the members of the Remuneration and Nomination Committee, please refer to the biography under the heading “*Directors and Executive Officers*” above.

Since July 1, 2016 the Board has engaged BDO Corporate Tax (WA) Pty Ltd (the “**Compensation Consultant**”) as a compensation consultant to assist in determining compensation for Directors and executive officers. The Compensation Consultant was engaged on October 14, 2016 to provide to the Corporation a report on the remuneration of Directors and executives (the “**Remuneration Report**”). The Board pre-approved the engagement of the Compensation Consultant as a compensation consultant to the Corporation. During the six months ended December 31, 2016, the Compensation Consultant received \$12,500 (2015: \$0) for its services as a compensation consultant.

The Remuneration Report benchmarked the Corporation against a comparator group that included Dacian Gold, Magnis Resources, Blackham Resources, Terramin Australia, Altura Mining, Neometals, West Africa Resources, Kidman Resources, Pantoro, Wolf Minerals and Finders Resources. The comparator group was selected on the following criteria:

- Companies having a similar relatedness and market capitalization to Cardinal (median of \$186m); and
- Companies that are in exploration with activities in Australia, i.e. single ‘exploration’ jurisdiction.

Information was sourced from the annual financial statements of each member of the comparator group for the financial year ended 2015 or 2016, as available.

The Remuneration and Nomination Committee considers the Remuneration Report, market conditions and previous grants when determining equity-based compensation.

NEOs and Directors are not permitted to purchase financial instruments (e.g., forward contracts, equity swaps, etc.) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or Director.

Elements of Compensation

Such components (or compensation elements) will be linked to the Corporation's compensation and corporate objectives as follows:

Compensation element	Link to compensation objectives	Link to corporate objectives
Base salary	Attract and retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Equity Component	Motivate	Equity component of compensation is offered to align officers' objectives with shareholders.

(a) **Base Salary**

The Corporation provides a base salary to each NEO as compensation for the performance of the NEO's day-to-day responsibilities. The base salary for each NEO is reviewed regularly by the Remuneration and Nomination Committee to ensure that the salary is appropriate for each officer's expertise and performance and to ensure that the salary is in line with market practices.

(b) **Equity Component**

In addition to each NEO's base salary, the Corporation provides a form of equity compensation. The equity component is intended to motivate NEOs and to align each NEO's incentives with those of shareholders. Equity grants are determined by the Board on the recommendation of the Remuneration and Nomination Committee and can be made up of Ordinary Shares or Unlisted Options. Any equity component of compensation may be subject to such vesting conditions as the Board determines.

Summary Compensation Table

The table below reflects compensation that was paid to the NEOs for the fiscal years ended June 30, 2016, 2015 and 2014.

Summary Compensation Table - NEOs

Name and Principal Position	Year ended June 30	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)			
Archie Kointsis, MD ⁽¹⁾	2016	222,500	—	276,000 ⁽²⁾	—	—	—	4,230	502,730
	2015	110,000	—	—	—	—	—	4,294	114,294
	2014	220,000	—	—	—	—	—	4,356	224,356
Malik Easah, Executive Director ⁽³⁾	2016	168,995	—	184,000 ⁽²⁾	—	—	—	2,996	355,991
	2015	75,000	—	—	—	—	—	2,927	77,927
	2014	150,000	—	—	—	—	—	2,970	152,970
Sarah Shipway, Interim Chief Financial Officer ⁽⁴⁾	2016	\$49,598	-	-	-	-	-	-	-
	2015	\$61,290	-	-	-	-	-	-	-
	2014	\$83,330	-	-	-	-	-	-	-

Name and Principal Position	Year ended June 30	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)			
Paul Abbott, Exploration Manager	2016	141,285	-	92,000 ⁽²⁾	-	-	-	-	233,285
	2015	120,192	-	-	-	-	-	-	120,192
	2014	180,180	-	-	-	-	-	-	180,180

Notes

- (1) 100% of Mr. Koimtsidis's compensation from the Corporation for the years ended June 30, 2016, 2015 and 2014 is attributable to his service as a director of the Corporation.
- (2) The fair value of each of the options granted to Messrs. Koimtsidis and Easah during the year ended June 30, 2016 were assigned a fair value \$0.092 using the Black-Scholes method.
- (3) 100% of Mr. Easah's compensation from the Corporation for each of the years ended June 30, 2016, 2015 and 2014 is attributable to his service as a director of the Corporation.
- (4) Until September 2016, Ms. Shipway was employed by Marshall Michael Chartered Accountants Pty Ltd, which was engaged to provide accounting, bookkeeping, corporate secretarial and administrative services to the Corporation. The amounts disclosed for Ms. Shipway for the years ended June 30, 2016, 2015 and 2014 represent the portion of her compensation from Marshall Michael Chartered Accountants Pty Ltd that was attributable to the services provided by Marshall Michael Chartered Accountants Pty Ltd to the Corporation.

From 2014 to 2016, there was no CFO formally employed by the Corporation. Instead Marshall Michael Chartered Accountants Pty Ltd was engaged to provide accounting, bookkeeping, corporate secretarial and administrative services to the Corporation. In respect of the 2014, 2015 and 2016 financial years, Marshall Michael Chartered Accountants Pty Ltd was paid \$220,353, \$196,506 and \$160,542 respectively.

In the year ended June 30, 2015, the salaries for Messrs. Koimtsidis and Easah were reduced by 50% following a review by the Board of market conditions. Since June 30, 2015 their salaries have been increased to reflect increased operations of the Corporation. In addition, following the receipt of independent advice from the Compensation Consultant, the compensation of Messrs. Koimtsidis and Easah was adjusted.

Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the option-based awards that have been granted to the NEOs and that were outstanding as of June 30, 2016.

Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option-Based Awards			Share-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Archie Koimtsidis, MD	3,000,000	\$0.22	March 18, 2020	60,000	-	-	-
Malik Easah, Executive Director	2,000,000	\$0.22	March 18, 2020	40,000	-	-	-

Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option-Based Awards			Share-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sarah Shipway, Interim Chief Financial Officer	-	-	-	-	-	-	-
Paul Abbott, Exploration Manager	1,000,000	\$0.22	March 18, 2020	20,000	-	-	-

The following table sets forth information with respect to option-based and share-based awards and for non-equity incentive plan compensation for each NEO during the Corporation's most recently completed financial year.

Name and Principal Position	Option-based awards Value vested during the year (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value vested during the year (\$)
Archie Koimtsidis, MD	276,000	-	-
Malik Easah, Executive Director	184,000	-	-
Sarah Shipway, Interim Chief Financial Officer	-	-	-
Paul Abbott, Exploration Manager	92,000	-	-

Director Compensation

Messrs. Koimtsidis and Easah are executive directors of the Corporation. The amount of compensation received by each of Messrs. Koimtsidis and Easah for service as a director is disclosed above under "Summary Compensation Table – NEOs".

Summary Compensation Table – Directors

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity plan compensation plan (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Kevin Tomlinson ⁽¹⁾	-	-	-	-	-	-	-
Simon Jackson ⁽²⁾	51,191	-	92,000	-	-	1,215	144,406
Mark Connelly ⁽³⁾	32,276	-	92,000	-	-	1,054	125,330

Notes

- (1) Mr. Tomlinson was appointed to the Board on November 7, 2016 and, accordingly, did not receive any compensation from the Corporation for the financial year ended June 30, 2016.
- (2) Mr. Jackson was appointed to the Board on September 1, 2015.
- (3) Mr. Connelly was appointed to the Board on November 19, 2015.

Director Compensation – Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the option-based awards that have been granted to the Directors and that were outstanding as of June 30, 2016.

Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option-Based Awards			Share-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Simon Jackson Non-Executive Director	1,000,000	\$0.22	March 18, 2020	20,000	-	-	-
Mark Connelly Non-Executive Director	1,000,000	\$0.22	March 18, 2020	20,000	-	-	-

Termination and Change of Control Benefits

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby an NEO is entitled to receive payments from the Corporation in the event of the termination of the NEO's employment with the Corporation.

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby an NEO is entitled to receive payments from the Corporation in the event of the termination of the NEO's employment with the Corporation.

Name	Annual remuneration	Termination notice period (without cause)	Termination payment ⁽¹⁾ (without cause)	Termination compensation for change of control	Termination notice period for Prescribed Event ⁽¹⁾ or Material Change ⁽²⁾	Termination compensation ⁽¹⁾ for Prescribed Event ⁽²⁾ or Material Change ⁽³⁾
Archie Koimtsidis	\$300,000	12 months	\$300,000 ⁽⁴⁾	Nil	No notice period	\$300,000 ⁽⁵⁾
Sarah Shipway	\$131,400	3 months	\$32,850	Nil	N/A	Nil
Malik	US\$210,000 ⁽⁶⁾	6 months	US\$210,000 ⁽⁴⁾	Nil	No notice	US\$210,000 ⁽⁵⁾

Name	Annual remuneration	Termination notice period (without cause)	Termination payment ⁽¹⁾ (without cause)	Termination compensation for change of control	Termination notice period for Prescribed Event ⁽¹⁾ or Material Change ⁽²⁾	Termination compensation ⁽¹⁾ for Prescribed Event ⁽²⁾ or Material Change ⁽³⁾
Easah					period	
Bruce Lilford	\$273,750	6 months	\$273,750 ⁽⁴⁾	Nil	No notice period	\$205,312.50 ⁽⁵⁾
Paul Abbott	US\$108,000 ⁽⁶⁾	1 month	US\$36,000	Nil	3 months	US\$27,000

Notes

- (1) This amount includes payment in lieu of the prescribed notice period, subject to limitations under applicable law.
- (2) Prescribed Event for the purposes of Messrs. Koimtsidis' and Easah's employment agreement includes any of the following events occurring, without the consent of the executive: a material adverse change to the executive's direct reporting line; a demotion; a material change to the level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA.
- (3) Material Change for the purposes of Paul Abbott's employment agreement means a material diminution in the responsibilities or powers assigned.
- (4) The amount payable is equal to the greater of (a) 50% of annual remuneration, and (b) 4 weeks' salary for every completed year of service. The table above reflects the amount equal to 50% of annual remuneration.
- (5) The amount payable to Messrs. Koimtsidis and Easah is equal to 100% of annual remuneration, and the amount payable to Mr. Lilford is equal to 50% of annual remuneration.
- (6) Malik Easah and Paul Abbott are paid US\$210,000 and US\$108,000 respectively. The Australian dollar equivalent as at April 4, 2017 is \$275,877 and \$141,879 respectively.

Description of Employment Agreements

Under the terms of the employment agreements for Messrs. Koimtsidis and Easah both of which are dated April 4, 2017 and the employment agreement for Mr. Bruce Lilford dated January 3, 2017:

- (i) Each executive is paid an annual base salary, being \$300,000 for Mr. Koimtsidis, \$210,000 for Mr. Easah and \$250,000 for Mr. Lilford. Each executive's annual base salary is subject to annual review by the Board and may be invited to participate in a short term and/or long term incentive plan to be governed by a separate agreement.

- (ii) Each executive receives employment related benefits, which include a car park at the primary location of work, mobile telephone (including reasonable personal use), payment of professional associations related to duties and a laptop computer.
- (iii) Each of Messrs. Koimtsidis, Easah and Lilford may resign or terminate their respective employment agreements by giving the Corporation twelve, six and three months' written notice respectively. If the Corporation terminates Messrs. Koimtsidis', Easah's or Lilford's employment at will, it will give the relevant executive twelve, six and three months' written notice respectively, except where termination is due to incapacity, where three months' written notice is required. The Corporation, at its sole discretion, may pay the executive in lieu of all or part of the notice period.
- (iv) The Corporation may immediately terminate for performance management failures, serious misconduct, breach of agreement, breach of confidentiality or intellectual property obligations, damage to reputation, failure to comply with direction given by the Corporation or where charged with a criminal offence that might tend to injure the reputation or business of the Corporation, or for any other reason for summary dismissal at common law.
- (v) Either the Corporation or the executive may immediately terminate by providing notice within one month of a "Prescribed Event" occurring. "**Prescribed Events**" include any of the following events occurring, without the consent of the executive: a material adverse change to the executive's direct reporting line; a demotion; a material change to the level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA. If termination occurs as a result of a "prescribed event", in the case of Mr. Lilford, a payment of 50% of total remuneration will be paid and, in the case of Messrs. Koimtsidis and Easah, 100% of total remuneration will be paid. The executive will not be entitled to any payment where such payment would be in breach of the Corporations Act or ASX Listing Rules.

Under the terms of the employment agreement dated August 26, 2016 between Ms. Shipway and the Corporation:

- (i) Ms. Shipway is paid an annual base salary of \$120,000 that is subject to annual review by the Corporation and may be invited to participate in the Corporation's employee incentive plan at the discretion of the Board.
- (ii) Ms. Shipway may resign or terminate her employment agreement by giving the Corporation three months' written notice. The Corporation may terminate Ms. Shipway's employment at will by giving her three months' written notice. The Corporation must pay Ms. Shipway in lieu of all or part of the notice period.
- (iii) The Corporation may immediately terminate for serious misconduct, without notice or payment in lieu of notice, where Ms. Shipway engages in fraudulent or dishonest conduct, engages in conduct which brings, or may bring, the Corporation into disrepute, is convicted of any serious or indictable criminal offence, is prohibited by law from taking part in the management of the Corporation or is made bankrupt or becomes insolvent.
- (iv) In addition, if Ms. Shipway commits a serious breach of the employment agreement or refuses to comply with a lawful and reasonable direction of the Corporation, the Corporation may, following a warning and a 7-day period to rectify the conduct, summarily terminate her employment without notice or payment in lieu thereof.

Under the terms of the consultancy agreement between Protea Foundation Ltd, Paul Abbott (as the nominated consultant of Protea Foundation Ltd) and the Corporation:

- (i) Mr. Abbott is employed as an exclusive consultant for a term of three years commencing on April 4, 2017.

- (ii) Mr. Abbott receives a monthly fee of US\$9,000 that is reviewed annually. Mr. Abbott is also entitled, at the discretion of the Board, to be granted incentive options.
- (iii) Mr. Abbott receives a travel allowance, entitling him to 12 economy class air fares between Tamale and Accra, Ghana paid by the Corporation for use at his discretion but in agreement with the Managing Director. The Corporation may, at its discretion, offer to pay additional air fares. The Corporation also provides comprehensive medical insurance including emergency evacuation services from any location in Ghana, a motor vehicle and reimbursement of expenses.
- (iv) The Corporation may terminate by giving one month's written notice if: Protea Foundation Ltd goes into liquidation or makes arrangements with creditors generally or takes advantage of any statute for the relief of insolvent debtors; or if either Mr. Abbott or Protea Foundation Ltd is convicted of any major criminal offence that brings the Corporation or themselves into disrepute; for persistent or serious breach of the agreement; wilful or grave misconduct; or unsoundness of mind.
- (v) Protea Foundation Ltd may terminate the agreement on Mr. Abbott's behalf by giving the Corporation three months' written notice. If termination is due to a material change (being a material diminution in Mr. Abbott's responsibilities or powers) the Corporation will pay an amount equal to the aggregate of three months' fees.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of March 1, 2017, there was no indebtedness, other than routine indebtedness, of any director, officer or employee of the Corporation or any associate or affiliate of any such director, officer or employee, to the Corporation or to "any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of agreement or other similar arrangement or understanding provided by the Corporation.

STOCK EXCHANGE LISTING

The Ordinary Shares are listed on the ASX. The TSX has conditionally approved the listing of the Ordinary Shares under the symbol "CDV". The listing of the Ordinary Shares will be subject to the Corporation fulfilling all of the listing requirements of the TSX on or before July 19, 2017. The Corporation cannot provide any assurances as to the price at which the Ordinary Shares will trade.

RISK FACTORS

Prospective investors should carefully consider the following risk factors in addition to the other information contained in this prospectus. The risks and uncertainties described below are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair the business and operations of the Corporation and cause the price of the Ordinary Shares to decline. If any of the following risks actually occur, the Corporation's business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Ordinary Shares could decline and holders of the Ordinary Shares may lose all or part of their investment.

Risks Related to the Industry

Mineral Exploration, Development and Operating Risks

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and frequently is non-productive. The mineral tenements of the Corporation are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements

that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will result in a profitable commercial mining operation.

Resource acquisition, exploration, development, and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Corporation will result in the establishment or expansion of resources or reserves.

The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including hazards relating to the discharge of pollutants or hazardous chemicals, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls, pillars or dams, fire, explosions, and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Corporation. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Corporation.

Estimation of Mineralization, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. These estimates depend upon geological interpretation and statistical inference drawn from drilling and sampling analysis, which may prove unreliable. There can be no assurance such estimates will be accurate. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resources estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Environmental, Health and Safety Regulations of the Resource Industry

Environmental matters in Ghana, including those related to mining, fall primarily under the oversight of the EPA, as well as the Minerals Commission and the Mines Inspectorate Division of the Minerals Commission. The Environmental Protection Agency Act, 1994 (Act 490), and the Environmental Assessment Regulations, 1999 (L.I. 1652) govern, among other things, environmental and socio-economic impact assessments and statements, environmental management plans, emissions into the environment, environmental auditing and review, and mine closure and reclamation, to which the Corporation's operations are subject.

Additional provisions governing mine environmental management are provided in the Minerals and Mining Act, 2006 (Act 703), and Minerals and Mining Regulations (Health, Safety and Technical) 2012 (L.I. 2182). The Corporation believes it is in substantial compliance with these laws and regulations; however, the Corporation notes a continuing trend toward substantially increased environmental requirements and evolving corporate social responsibility expectations in Ghana, including the requirement for more permits, analysis, data gathering, community hearings, and negotiations than have been required in the past for both routine operational needs and for new development projects.

Due to bureaucratic delays, there can be no assurance that all permits which the Corporation may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or timeframes or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Corporation might undertake.

All phases of the Corporation's operations are subject to environmental regulations in various jurisdictions. If the Corporation's properties are proven to host economic reserves of metals, mining operations will be subject to national and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment.

Mining operations will be subject to national and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received.

No assurance can be given that environmental standards imposed by national or local authorities will not be changed or that any such changes would not have material adverse effects on the Corporation's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Corporation. Additionally, the Corporation may be subject to liability for pollution or other environmental damage, which it may not be able to insure against.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulation and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential, and for management and technical personnel. The Corporation's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Corporation will compete with other parties in each of these respects, many of which have greater financial resources than the Corporation. Accordingly, there can be no assurance that any of the Corporation's future acquisition efforts will be successful, or that it will be able to attract and retain required personnel. Any such failure could have a material adverse impact upon the Corporation.

Risks Related to the Business

Operational Risks

The Corporation has not previously generated revenues from operations and its mineral projects are at an exploration stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Corporation has historically incurred significant losses as it has no sources of revenue (other than interest income), and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The Corporation expects to continue to incur net losses unless or until one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There can be no assurance that current exploration or development programs will result in the discovery of commercial deposits or, ultimately, in profitable mining operations. See also "Liquidity and Financing Risk" and "Funding Risk" below.

Liquidity and Financing Risk

The Corporation has no source of operating cash flow and may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that additional funding will be available for further exploration and development of the Corporation's properties when required, upon terms acceptable to the Corporation or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Corporation.

Funding Risk

At the date of this Prospectus, the Corporation has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither the Corporation nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Corporation (or at all). Any additional equity funding will dilute existing shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent development, commissioning and operational performance.

Exploration Costs

The exploration costs of the Corporation are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and

assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Corporation's viability.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, risks, including, but not limited to, unexpected or unusual geological or operating conditions, natural disasters, inclement weather conditions, pollution, rock bursts, cave-ins, fires, flooding, earthquakes, civil unrest, terrorism and political violence may occur. It is not always possible to fully insure against all risks associated with Cardinal's operations and Cardinal may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Cardinal.

Conflicts of Interest

Certain directors of the Corporation are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Corporation. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors may conflict with the interests of the Corporation. Any Directors with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Risks Related to Operating In Ghana

Environmental Bonds

The EPA from time to time reviews the reclamation bonds that are placed on the Corporation's projects in Ghana. As part of its periodic assessment of mine reclamation and closure costs, the EPA reviews the adequacy of reclamation bonds and guarantees.

In certain cases, the EPA has requested higher levels of bonding based on its findings. If the EPA were to require additional bonding at the Corporation's properties, it may be difficult, if not impossible, to provide sufficient bonding. If the Corporation is unable to meet any such increased bonding requirements or negotiate an acceptable solution with the Government of Ghana, its operations and exploration and development activities in Ghana may be materially adversely affected.

The Corporation is not in a position to state whether a review in respect of any of the Corporation's projects in Ghana is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Corporation.

Risks of Operating in Ghana

The Corporation's projects in Ghana are subject to the risks of operating in foreign countries, including political and economic considerations such as civil and tribal unrest, war (including in neighbouring countries), terrorist actions, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the title to properties or mineral rights in which the Corporation has interests, problems or delays renewing licenses and permits, opposition to mining from local, environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests, as well as by laws and policies of Canada affecting foreign trade,

investment and taxation. As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining company to exploit resources in their country.

Furthermore, the Corporation requires consultants and employees to work in Ghana to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Ghana, or to obtain all of the necessary services or expertise in Ghana, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Ghana, the Corporation may need to seek and obtain those services from service providers located outside of Ghana which could result in delays and higher costs to the Corporation.

Mineral resource companies face increasing public scrutiny of their activities, and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding its properties where it operates. The potential consequences of these pressures include reputational damage, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. As a result of these considerations, the Corporation may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Ghana.

Any of the above events could delay or prevent the Corporation from exploring or developing its properties even if economic quantities of minerals are found, and could have a material adverse impact upon the Corporation's foreign operations.

Government Policy Changes

The mineral exploration activities undertaken by the Corporation are subject to laws and regulations governing health and worker safety, employment standards, exports, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development and production, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Exploration activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, royalties, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety.

The Corporation's exploration programs with respect to the Corporation's projects in Ghana will, in general, be subject to approval by the Minerals Commission and other governmental agencies. Development of any of the Corporation's properties will be dependent on the Namdini Project meeting environmental guidelines set by EPA and, where required, being approved by governmental authorities such as the Minerals Commission.

Failure to comply with applicable laws, regulations and permits, even if inadvertent, may result in enforcement actions thereunder, including the forfeiture of claims, orders by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions, which could have a material adverse impact upon the Corporation. The Corporation may be required to compensate those claiming to suffer loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits, which could have a material adverse impact upon the Corporation.

In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Corporation. It is possible that the current system of exploration and mine permitting in Ghana may change, resulting in impairment of rights and possibly expropriation of the Corporation's properties without adequate compensation.

Ownership Risks

The Corporation holds its interests in the Namdini Project through contractual arrangements with Savannah. Further, the Namdini Lease issued to Savannah in October 2016 is currently being processed by the Ghana government. For more information, please see "*The Namdini Project*".

The Constitution of Ghana vests title in every mineral in its natural state to the Government of Ghana. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Ghana requires an appropriate licence or mineral right to be issued by the Government of Ghana acting through the Minister. There is no assurance that title to the properties in which the Corporation has interests will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While the Corporation has diligently investigated title to the properties in which it has an interest, it may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by undetected defects. Consequently, the boundaries may be disputed.

There can be no assurance that there are no prior unregistered agreements, claims or defects that may result in the title to the properties in which the Corporation has an interest being challenged. Further, the Corporation's interests in the properties are subject to the risks that counterparties will fail to honour their contractual commitments that courts will not enforce such contractual obligations and that required governmental approvals will not be obtained. A successful challenge to the precise area and location of these claims, or the failure of counterparties to honour or of courts to enforce such contractual obligations could result in the Corporation being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse impact upon the Corporation.

Permitting and Licensing Risks

In addition to mineral rights, the Corporation will require some or all of the following permits, licences or other regulatory approvals to be able to carry out business operations in Ghana as it advances its projects: (i) environmental permits; (ii) approved environmental management plans and environmental certificates; (iii) reclamation bonds and approved reclamation plans; (iv) water usage permits; (v) business operating permits; (vi) licences to export, sell or dispose of minerals; (vii) permits/licences to retain a specified percentage of mineral export proceeds for purposes of debt servicing, dividend payment to foreign shareholders and acquisition of plant and machinery for the mining project; (viii) permits to operate foreign exchange retention accounts with a trustee bank; and (ix) immigration quotas to employ a specified number of non-Ghanaians to work on mining projects. The Corporation believes that it will be able to obtain and maintain in the future all such necessary licences and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licences and permits.

There can be no guarantee, however, that the Corporation will be able to obtain and maintain, at all times, all the necessary licences and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

Artisanal Miners

The Corporation's property interests are held in areas of Ghana that have historically been mined by artisanal miners. As the Corporation further explores and advances its projects, it may be required to require the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose the Corporation's operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that the Corporation will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on the Corporation. In addition, artisanal work practices are often unsafe and accidents and/or incidents may occur on the Corporation's property, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of the Corporation in the event of accidents or incidents, which could have a material adverse impact on the Corporation.

Difficulty in Enforcement of Judgements

All of the subsidiaries of the Corporation and the majority of its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Corporation, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Corporation under Canadian securities laws or otherwise.

The Corporation has subsidiaries incorporated in Australia and Ghana. All of the directors and officers of the Corporation reside outside of Canada, and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Corporation's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Corporation's directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Australia or Ghana. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

General Risks

Market Conditions

Share market conditions may affect the value of the Corporation's quoted securities regardless of the Corporation's operating performance. Share market conditions are affected by many factors such as: general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. The Corporation does not warrant the future performance of the Corporation or any return on an investment in the Corporation.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the Australian dollar may adversely affect businesses and industries that purchase commodities, affecting commodity prices in

more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Corporation is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results and financial condition.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility. As such, the Corporation is subject to counterparty risk and liquidity. The Corporation is exposed to various counterparty risks including, but not limited to financial institutions that hold the Corporation's cash, and through companies that have payables to the Corporation. The Corporation is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the shares could be adversely affected.

Exchange Rate and Currency Risks

The Corporation undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Corporation does not hedge this exposure. The Corporation manages its foreign exchange risk by constantly reviewing its exposure and ensuring that there are appropriate cash balances in order to meet its commitments.

Currency fluctuations may affect the cash flow which the Corporation may realize from its operations, since most mineral commodities are sold in a world market in USD. The Corporation's costs are incurred in AUD, GHS, USD and CAD.

Commodity Prices

The price of the Ordinary Shares, and the Corporation's profitability, financial results and exploration activities may in the future be significantly adversely affected by declines in the price of precious metals. Precious metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Corporation, including the US dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of gold has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting the Corporation's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to gold equities, and therefore, the ability of the Corporation to raise capital. A sustained, significant decline in the price of gold could also cause development of any properties in which the Corporation may hold an interest from time to time to be impracticable. Future production from the Corporation's future properties, if any, will be dependent upon, among other things, the price of gold being adequate to make these properties economic. There can be no assurance that the market price of gold will remain at current levels, that such price will increase or that market prices will not fall.

Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Corporation depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Corporation if one or more of these employees cease their employment.

Dilution Risk

Cardinal has outstanding options and Performance Shares, as detailed in the most recent financial statements for the year ended June 30, 2016 and elsewhere in this prospectus. Should these securities be exercised or converted (as applicable), the holders have the right to acquire additional Ordinary Shares, in accordance with the terms of such securities. During the life of these securities, the holders have the opportunity to profit from a rise in the market price of the Cardinal shares, possibly resulting in the dilution of existing securities.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As at the date hereof, the Corporation does not have any securities in escrow or that are subject to a contractual restriction on transfer.

LEGAL PROCEEDINGS

There are no material legal proceedings against the Corporation or any of its subsidiaries, the Corporation is not a party to any material legal proceedings and the Corporation is not aware of any contemplated proceedings.

REGULATORY ACTIONS

For the period beginning April 4, 2014 until the date of this prospectus, there were (i) no penalties or sanctions imposed against the Corporation or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements the Corporation entered into before a court relating to a securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last three years or in any proposed transaction which in either case has materially affected or will materially affect the Corporation or its subsidiaries, other than as disclosed in this prospectus.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Corporation are BDO Audit (WA) Pty Ltd, 38 Station St, Subiaco, Western Australia, 6008, Australia, who have advised that they are independent of the Corporation within the meaning of the Corporations Act 2001.

Greenwich & Co Audit Pty Ltd audited the financial statements of the Corporation for the year ended June 30, 2016 and issued an auditor's report dated September 30, 2016, and have advised that they are independent of the Corporation within the meaning of Corporations Act 2001. As at September 30, 2016,

Greenwich & Co Audit Pty Ltd was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.

The transfer agent and registrar for the Ordinary Shares and the Listed Options of the Corporation in Australia is Computershare Investor Services Pty Ltd ("**Computershare (Australia)**"), and the Ordinary Shares and Listed Options will be transferable at the offices of Computershare (Australia) in Perth.

The transfer agent and registrar for the Ordinary Shares of the Corporation in Canada is expected to be Computershare Investor Services Inc. ("**Computershare (Canada)**"), and the Corporation's Ordinary Shares will be transferable at the offices of Computershare (Canada) in Toronto.

RELATED PARTY TRANSACTIONS

Cardinal has advanced US\$2,000,000 to Savannah, a company whose sole shareholder and director is Malik Easah, a director of the Corporation. The purpose of this advance was development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale mining licences. As at March 31, 2017, US\$1,600,000 has been applied toward the acquisition of small scale mining licences in the area covered by the Namdini Lease, US\$4,000 has been applied to bank fees relating to the transfer, and the remainder has been recorded as a prepayment in the financial statements of Cardinal.

As of the date of this prospectus, the Board has approved total payments to Savannah of up to US\$5 million in the aggregate to fund the acquisition of small scale licences. The Corporation expects that the US\$5 million will be sufficient to fund Savannah's activities in relation to the development of the mining licence by the acquisition of small scale licences.

In the event that an aggregate of US\$5 million is not sufficient to fund the acquisition of all the small scale licences in the Namdini Lease area, Savannah may request additional funds from the Corporation. In the event that Savannah does request funds in excess of the US\$5 million that has been approved by the Board, the Corporation would review Savannah's request and determine whether the small scale licences that Savannah intends to purchase using the advanced funds are material to the mineralization in the area covered by the Namdini Lease. The Board will review the request and consider the outstanding small scale licences and reach a decision based on the best interests of the Corporation, including the Corporation's strategic goals.

For additional information, please see "*The Namdini Project*".

MATERIAL CONTRACTS

The only material contracts entered into by on behalf of the Corporation or any of its subsidiaries since June 30, 2016, or on or prior to June 30, 2016 if still in effect, other than contracts in the ordinary course of business, are the Savannah Agreement, the Option Agreement and the Option Exercise Deed discussed under "The Namdini Project".

EXPERTS

The Technical Report was prepared by or under the supervision of (i) Ian Blakley, Principal Geologist and Vice-President and General Manager of RPA UK Ltd., who is a Professional Geoscientist in the Province of Ontario; (ii) Sean D. Horan, Senior Geologist of RPA, who is a Professional Geoscientist in the Province of Ontario; and (iii) Kathleen Ann Altman, Ph.D., Principal Metallurgist and Director, Mineral Processing and Metallurgy of RPA (USA) Ltd., who is a Professional Engineer in the State of Colorado and a Qualified Member of the Mining and Metallurgical Society of America. Each of Mr. Blakley, Mr. Horan and Dr. Altman is an independent "qualified person" as such term is defined in NI 43-101 and a

“Competent Person” as such term is defined in the JORC Code. Each of Mr. Blakley, Mr. Horan and Dr. Altman consents to the inclusion in this prospectus of the statements based on such individual's information in the form and context in which they appear. Copies of the Technical Report are available electronically on SEDAR at www.sedar.com. See “*Technical Information*”.

The above individuals and RPA held no securities of the Corporation or of any associate or affiliate of the Corporation when they prepared the reports or the Mineral Resource estimates referred to, or following the preparation of such reports or data, and did not receive any direct or indirect interest in any securities of the Corporation or of any associate or affiliate of the Corporation in connection with the preparation of such reports or data.

None of the above individuals nor RPA, nor any director, officer or employee of RPA, is currently or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

To the best of the Corporation's knowledge, after reasonable inquiry, as of the date of this prospectus, none of RPA, BDO Audit (WA) Pty Ltd and Greenwich & Co Audit Pty Ltd (nor their partners, associates, directors and executive officers) beneficially owns, directly or indirectly, any of the outstanding Ordinary Shares.

AUDIT COMMITTEE INFORMATION

Audit and Risk Committee Charter

The Audit and Risk Committee Charter of the Corporation is attached hereto as Schedule “D”.

Composition of the Audit and Risk Committee

The audit and risk committee (the “**Audit and Risk Committee**”) is comprised of Simon Jackson (Chair), Mark Connelly and Kevin Tomlinson. The following chart sets out the Corporation's assessment of the independence, financial literacy and relevant educational background and experience supporting such financial literacy of each member of the Audit and Risk Committee. Additional information about relevant experience of each member of the Audit and Risk Committee can be found in such member's biography under the heading “Directors and Executive Officers” above.

Name, Province and Country of Residence	Independent	Financially Literate	Relevant Education and Experience
Simon Jackson Western Australia, Australia	Yes	Yes	BCom, FCA
Mark Connelly Western Australia, Australia	Yes	Yes	BBus
Kevin Tomlinson London, United Kingdom	Yes	Yes	Graduate Diploma Finance

Pre-Approval of Policies and Procedures

The Corporation has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by its external auditor as set forth in the Audit and Risk Committee charter. It is expected that the Audit and Risk Committee will approve the provision of a specified list of audit and permitted non-audit services that the Audit and Risk Committee believes to be

typical, reoccurring or otherwise likely to be provided by the Corporation's external auditor during the current fiscal year.

Auditor Services Fees

The following table outlines the fees billed to the Corporation by Greenwich & Co Audit Pty Ltd (formerly Somes Cooke Pty Ltd), who served as the Corporation's external auditors, for each of the Corporation's last two fiscal years, categorized by audit fees, audit-related fees, tax fees, and all other fees:

	2015	2016
Audit Fees	\$24,000	\$24,500
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$24,000	\$24,500

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires reporting issuers to disclose their corporate governance practices with reference to a series of guidelines for effective corporate governance set forth in National Policy 58-201 — *Corporate Governance Guidelines*.

See Schedule "C" to this prospectus, which contains a description of the Corporation's corporate governance practices and policies.

PURCHASERS' STATUTORY RIGHTS

Canadian securities legislation requires that the following language appear in this prospectus:

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor

However, in light of the fact that this prospectus is being filed to allow the Corporation to become a reporting issuer in Ontario, and not in connection with an offering of securities, the Corporation believes that the remedies described in the foregoing paragraph are not applicable to the transactions described in this prospectus.

GLOSSARY

In this prospectus, unless otherwise indicated or the context otherwise requires, the following terms shall have the meaning set forth below:

Selected Defined Terms

"**2006 Mining Act**" means the Minerals and Mining Act 2006 (Act 703) (Ghana);

“affiliate” has the meaning ascribed thereto in National Instrument 62-104 — *Take-Over Bids and Issuer Bids*;

“April 2017 Placement” means the private placement of 45,598,266 Ordinary Shares that was completed on April 28, 2017 at a price of \$0.50 per Ordinary Share;

“ASX” means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires);

“ASX Listing Rules” means the official listing rules of the ASX, as amended from time to time;

“Au” means gold;

“Audit and Risk Committee” means the audit and risk committee of the Board;

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

“Besra” means Besra Gold Inc.;

“Board” means the board of directors of the Corporation;

“Bolgatanga Project” means, collectively, the Ndongo Prospect, the Kungongo Prospect and the Bongo Prospect in Northwest Ghana;

“Bongo Prospect” means the property located in the Upper East Region of the Town of Bolgatanga covered by reconnaissance licence number 2/2011 issued by the Government of Ghana through the Minister and of which an application for renewal has been granted and is pending the signature of the Minister.

“Cardinal” or the **“Corporation”** Cardinal Resources Limited, a corporation incorporated under the laws of Australia, and unless otherwise stated or the context otherwise requires, references to the Corporation mean the Corporation and its current and proposed subsidiaries on a consolidated basis;

“Cardinal Subranum” means Cardinal Resources Subranum Limited, a subsidiary of the Corporation;

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36;

“CFO” means Chief Financial Officer;

“Class A Performance Shares” means the Class A performance shares of the Corporation, each of which is convertible into 100,000 Ordinary Shares;

“Class B Performance Shares” means the Class B performance shares, each of which was converted into 100,000 Ordinary Shares on September 5, 2016;

“Class C Performance Shares” means the Class C performance shares of the Corporation, each of which is convertible into 100,000 Ordinary Shares;

“CMS” means Cardinal Mining Services Limited, a subsidiary of the Corporation;

“Compensation Consultant” means BDO Corporate Tax (WA) Pty Ltd;

“Computershare (Australia)” means Computershare Investor Services Pty Ltd at its principal office located at Level II, 175 St. Georges Terrace, Perth WA 6000, Australia;

“Computershare (Canada)” means Computershare Investor Services Inc. at its principal office located at 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1;

“Corporations Act” means the *Corporations Act, 2001* (Commonwealth of Australia), as amended, including the regulations promulgated thereunder;

“Director” means a director of the Corporation;

“EPA” means the Ghana Environmental Protection Agency;

“Exploration Tenements” means the tenements forming part of the Bolgatanga Project and the Subranum Project. For the avoidance of doubt, the Exploration Tenements do not include the tenements forming the Namdini Project;

“g” means grams;

“Ghanaian Projects” means the Namdini Project, the Bolgatanga Project and the Subranum Project;

“Ghanaian Subsidiaries” means, collectively, Cardinal Subranum, CMS, Cardinal Resources Ghana Limited and Cardinal Namdini Mining Limited

“g/t” means grams per tonne;

“IFRS” means International Financial Reporting Standards as adopted by the International Accounting Standards Board;

“July 2016 Placement” means the private placement of 75,000,000 Ordinary Shares that was completed in two tranches, on July 19, 2016 and August 26, 2016, at a price of \$0.29 per Ordinary Share;

“June 2015 Placement” means the private placement of 14,584,231 Ordinary Shares at a price of \$0.065 per Ordinary Share;

“JORC” means the Australasian Joint Ore Reserves Committee;

“JORC Code” means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;

“kg” means kilogram;

“km” means kilometre;

“km²” means square kilometre;

“Kungongo Prospect” means the property located in the Upper East Region of the Town of Bolgatanga covered by reconnaissance licence number 1/2011 issued by the Government of Ghana through the Minister;

“kV” means kilovolt;

“Listed Option” means a listed option to purchase Ordinary Shares;

“m” means metre;

“Managing Director” or **“MD”** means the managing director of the Corporation;

"MASL" means metres above sea level;

"March 2016 Placement" means the private placement of 47,333,310 Ordinary Shares at a price of \$0.12 per Ordinary Share;

"Minister" means the Minister responsible for Lands and Natural Resources of Ghana;

"Minerals Commission" means the Minerals Commission of the Government of Ghana.

"mm" means millimetre;

"Moz" means millions of Troy ounces;

"Mt" means millions of metric tonnes;

"Namdini Project" means the 13 licences acquired by a subsidiary of the Corporation in northeast Ghana;

"Named Executive Officer" or **"NEO"** means the MD, the CFO and the two other executive officers of the Corporation and whose individual total compensation was more than C\$150,000 in the previous financial year;

"Ndongo Prospect" means the property in the Upper East Region of the Town of Bolgatanga covered by prospecting licence number 17/2010 issued by the Government of Ghana through the Minister;

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, as amended from time to time;

"NI 52-110" means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

"Option Agreement" means the option and loan agreement between Mr. Easah, Savannah and CMS, pursuant to which CMS holds an option to purchase all the outstanding shares of Savannah from Mr. Easah for US\$1.00;

"Option Exercise Deed" means the option exercise deed dated May 11, 2017 between CMS, Savannah and Cardinal Namdini Mining Limited;

"Ordinary Shares" means ordinary shares in the capital of the Corporation;

"Option Plan" means the employee option plan that was approved by Shareholders at the Corporation's November 19, 2015 annual general meeting;

"oz" means Troy ounces (31.1035 g);

"Performance Shares" means, collectively, the Class A Performance Shares and the Class C Performance Shares;

"Properties" means, collectively, the Bolgatanga Project, the Namdini Project and the Subranum Project;

"Remuneration and Nomination Committee" means the remuneration and nomination committee of the Board;

"RC" means reverse circulation;

"RPA" means Roscoe Postle Associates Inc.;

“Savannah” means Savannah Mining Ghana Limited, of which Malik Easah is the sole shareholder;

“Savannah Agreement” means the binding heads of agreement dated July 23, 2014 between CMS and Savannah, pursuant to which CMS obtained a right of first refusal to provide all technical and financial support for the development of mining licences held by Savannah;

“SEC” means the United States Securities and Exchange Commission;

“September 2015 Placement” means the private placement of 52,215,000 Ordinary Shares, with one free Listed Option for each two Ordinary Shares subscribed for, that was completed in two tranches, on September 25, 2015 and November 27, 2015, at a price of \$0.10 per Ordinary Share;

“Shareholders” means the holders of Ordinary Shares;

“Subin Kasu Prospecting Licence” means prospecting licence number PL 61309 issued by the Government of Ghana through the Minister;

“Subranum Project” means the Subranum project, consisting of the Subin Kasu Prospecting Licence, in southwest Ghana;

“t” means metric tonne;

“Technical Report” means the NI 43-101-compliant technical report titled “Technical Report on the Namdini Gold Project, Ghana, West Africa”, dated effective April 5, 2017;

“TSX” means the Toronto Stock Exchange;

“TSXV” means the TSX Venture Exchange;

“Unlisted Option” means an unlisted option to purchase Ordinary Shares;

“US” means the United States of America; and

“VWAP” means volume-weighted average trading price on the ASX.

CERTIFICATE OF THE CORPORATION

DATED: July 4, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the province of Ontario.

(Signed) "Archie Koimtsidis"

Archie Koimtsidis
Managing Director and
Chief Executive Officer

(Signed) "Sarah Shipway"

Sarah Shipway
Interim Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "Kevin Tomlinson"

Kevin Tomlinson
Director

(Signed) "Mark Connelly"

Mark Connelly
Director

SCHEDULE "A"

AUDITED FINANCIAL STATEMENTS OF THE CORPORATION

Independent Auditor's Report

To the members of Cardinal Resources Limited

Report on the Financial Report

We have audited the accompanying financial report (the "Financial Report") of Cardinal Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Cardinal Resources Limited comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Financial Report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the Financial Report is in accordance with the *Corporations Act 2001*; and
- (b) the Financial Report gives a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date in accordance with Australian Accounting Standards, the *Corporations Regulations 2001* and International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with International Standards on Auditing.

Opinion

In our opinion, the Remuneration Report of Cardinal Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd



Andrew May

Audit Director

30 September 2016

Perth

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016**

Australian Dollar (\$)	Note	June 30, 2016 \$	June 30, 2015 \$
REVENUE	3	<u>43,706</u>	<u>5,269</u>
EXPENDITURE			
Administration expenses	4	(2,090,910)	(616,772)
Depreciation expenses	11	(94,932)	(69,778)
Exploration expenses		(7,182,584)	(2,143,615)
Impairment expense	10	-	(781,903)
Foreign exchange gain		2,347	111,073
LOSS BEFORE INCOME TAX		<u>(9,322,373)</u>	<u>(3,495,726)</u>
Income tax	5(a)	-	-
LOSS AFTER INCOME TAX		<u>(9,322,373)</u>	<u>(3,495,726)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations	14(b)	<u>78,464</u>	<u>(84,825)</u>
TOTAL COMPREHENSIVE INCOME		<u>(9,243,909)</u>	<u>(3,580,551)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(9,243,909)</u>	<u>(3,580,551)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	16	<u>(5.55)</u>	<u>(3.82)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016**

	Note	June 30, 2016	June 30, 2015
Australian Dollar (\$)		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	4,864,822	839,755
Trade and other receivables	8(a)	16,280	12,878
Other assets	8(b)	104,523	22,474
TOTAL CURRENT ASSETS		4,985,625	875,107
NON CURRENT ASSETS			
Plant and equipment	11	675,911	476,644
TOTAL NON CURRENT ASSETS		675,911	476,644
TOTAL ASSETS		5,661,536	1,351,751
CURRENT LIABILITIES			
Trade and other payables	12	1,713,467	368,148
TOTAL CURRENT LIABILITIES		1,713,467	368,148
TOTAL LIABILITIES		1,713,467	368,148
NET ASSETS		3,948,069	983,603
EQUITY			
Issued capital	13	26,151,217	14,816,842
Reserves	14	1,043,600	354,952
Accumulated losses	15	(23,246,748)	(14,188,191)
TOTAL EQUITY		3,948,069	983,603

The above consolidated statement of financial position should be
read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016**

Australian (\$)

	SHARE CAPITAL	OPTIONS RESERVE	FOREIGN EXCHANGE RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$	\$
BALANCE AT JULY 1, 2015	14,816,842	732,423	(377,471)	(14,188,191)	983,603
Total comprehensive income	-	-	78,464	(9,322,373)	(9,243,909)
Share and options issued during the year	12,042,719	-	-	-	12,042,719
Share issue expenses	(708,344)	-	-	-	(708,344)
Option based payments	-	874,000	-	-	874,000
Expiry of options	-	(263,816)	-	263,816	-
BALANCE AT JUNE 30, 2016	26,151,217	1,342,607	(299,007)	(23,246,748)	3,948,069
BALANCE AT JULY 1, 2014	12,871,486	263,816	(292,646)	(10,692,465)	2,150,191
Total comprehensive income	-	-	(84,825)	(3,495,726)	(3,580,551)
Share and options issued during the year	2,091,975	481,183	-	-	2,573,158
Share issue expenses	(146,619)	(12,576)	-	-	(159,195)
BALANCE AT JUNE 30, 2015	14,816,842	732,423	(377,471)	(14,188,191)	983,603

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

Australian Dollar (\$)	Note	June 30, 2016 \$	June 30, 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mineral interests		(5,868,440)	(1,962,385)
Other payments to suppliers and employees		(1,295,294)	(564,600)
Interest received		30,325	5,269
Net cash outflow from operating activities	17(b)	(7,133,409)	(2,521,716)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(155,471)	(50,465)
Net cash outflow from investing activities		(155,471)	(50,465)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		11,334,374	2,413,963
Net cash flows from financing activities		11,334,374	2,413,963
Net increase/(decrease) in cash and cash equivalents		4,045,494	(158,218)
Cash and cash equivalents at the beginning of the financial year		839,755	909,980
Exchange rate adjustment		(20,427)	87,993
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17(a)	4,864,822	839,755

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of Cardinal Resources Limited ("Cardinal Resources" or "the Company") and its controlled entities ("the Group") for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 30 September 2016.

Cardinal Resources Limited is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company for the year ended 30 June 2016 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Preparation of the Financial Report*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with the International Financial Reporting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

(b) *Principles of Consolidation*

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by Cardinal Resources Limited at the end of the reporting period. A controlled entity is any entity over which Cardinal Resources has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of year that they were controlled. A list of controlled entities is contained in note 24 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) *Adoption of new and revised standards*

There are a number of new Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Group in the current or future reporting periods.

(d) Statement of compliance

The financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(e) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(f) Exploration and evaluation expenditure

The Group expenses all exploration and evaluation expenditure on areas of interest as incurred.

(g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognised using the effective interest method.

(h) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(j) Impairment of assets

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(k) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(n) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options granted is measured using the Black-Scholes option pricing model. The model uses assumptions and estimates as inputs.

Impairment

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using various key assumptions.

(p) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Other income		
Interest from financial institutions	30,325	5,269
Refunds	10,881	-
Insurance proceeds	2,500	-
	43,706	5,269

4 EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2016 \$
Salary, fees and leave	180,284	81,000
Eligible termination payment	-	20,000
Equity Based Payments	874,000	-
Defined contribution superannuation expense	12,538	4,275

5 INCOME TAX

- (a) **Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Loss before income tax	(9,322,373)	(3,495,726)
Income tax calculated at 30%	(2,796,712)	(1,048,718)
Tax effect of:-		
Expenses not allowed	-	16
Sundry – temporary differences	(186,054)	477,812
Section 40-880 deduction	(110,229)	(67,729)
Future income tax benefit not brought to account	3,092,995	638,619
Income tax refund (payable) attributable to operating losses	-	-

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Auditing and review of the Company's financial statements	24,500	24,000
	24,500	24,000

7 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors and Executives

Mark Connelly – Non-Executive Chairman – appointed on 19 November 2015

Archie Koimtsidis – Managing Director

Malik Easah – Executive Director

Mark Thomas – Non-Executive Director – appointed 31 August 2015

Simon Jackson – Non-Executive Director – appointed 31 August 2015

Alec Pismiris – Non-Executive Chairman – retired on 19 November 2015

(b) **Compensation of key management personnel**

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Salaries, fees and leave	540,471	266,000
Eligible termination payment	-	20,000
Non monetary	11,328	11,330
Post employment benefits – superannuation	12,537	4,275
Equity based payments – Note 18	782,000	-
	1,346,336	301,605

Refer to the remuneration report contained in the directors report for details of the remuneration paid/payable and share and options holdings in relation to each of Group's key management personnel for the year ended 30 June 2016.

8 CURRENT ASSETS

(a) **Trade and Other Receivables**

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Government taxes receivables	16,280	12,878
	16,280	12,878

GST and income tax amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) **Other Assets**

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Prepayments	77,553	13,882
Cash deposits	26,970	8,592
	104,523	22,474

9 CAPITALISED EXPLORATION AND EVALUATION

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Balance at the beginning of the year	-	771,450
Impairment (Note 10)	-	(781,903)
Foreign exchange movement	-	10,453
Balance at end of year (i)	-	-

- (i) The Recoupment of costs carried forwarded in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation on the sale of the respective area.

10 IMPAIRMENT EXPENSE

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Impairment expense (i)	-	781,903
	<u>-</u>	<u>781,903</u>

- (i) In light of the current market conditions, the Directors' have conservatively impaired its capitalised deferred exploration and evaluation expenditure by \$781,903 as at 30 June 2015. As this is an estimation, the actual recoverable amount may be significantly different to this value. Future exploration and evaluation results and changes in commodity prices may increase the estimated recoverable amount in the future, which may result in the reversal of some or all of impairment recognised.

11 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Plant and Equipment		
Carrying amount at the beginning of the year	476,644	556,636
Additions	215,521	50,465
Disposals	(11,592)	-
Depreciation expense	(94,932)	(69,778)
Foreign exchange movement	90,270	(60,679)
Total plant and equipment	<u>675,911</u>	<u>476,644</u>

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Plant and equipment		
At cost	977,014	666,623
Less: accumulated depreciation	(301,103)	(189,979)
Total plant and equipment	<u>675,911</u>	<u>476,644</u>

12 TRADE AND OTHER PAYABLES

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Trade and other payables	1,581,718	331,107
Other accrued expenses	131,749	37,041
	<u>1,713,467</u>	<u>368,148</u>

13 ISSUED CAPITAL

Movement in ordinary shares on issue

	NUMBER OF SHARES	\$
As 1 July 2014	73,356,576	12,871,486

Transactions during the year

Shares issued (ii)	37,464,231	2,091,975
Less: transaction costs (iii)	-	(146,619)
At 30 June 2015	110,820,807	14,816,842

As 1 July 2015

110,820,807**14,816,842****Transactions during the year**

Shares issued (i)	111,253,890	12,042,719
Less: transaction costs (iii)	-	(708,344)
At 30 June 2016	222,074,697	26,151,217

(i) The following shares were issued during the financial year ended 30 June 2016

- On 7 August 2015 1,838,462 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.065 per share to the directors' of the Company. The directors' participation was approved at the General Meeting held on 27 July 2015;
- On 25 September 2015 28,164,816 shares, together with one (1) free attaching option for two (2) shares subscribed for, were issued at \$0.10 per shares pursuant to a placement to sophisticated investors;
- On 27 November 2015 24,050,184 shares, together with one (1) free attaching option for two (2) shares subscribed for, were issued at \$0.10 per shares pursuant to a placement to sophisticated investors.
- On 27 November 2015 8,117,116 shares, together with one (1) free attaching option for two (2) shares subscribed for, were issued at \$0.10 per share to the directors' of the Company. The directors' participation was approved at the Annual General Meeting held on 19 November 2015;
- On 8 March 2016 42,666,642 shares were issued at \$0.12 per shares pursuant to a placement to sophisticated investors;
- On 9 May 2016 4,666,668 shares were issued at \$0.12 per shares pursuant to a placement to sophisticated investors; and
- On 9 May 2016 1,750,002 shares were issued at \$0.12 per share to the directors' of the Company. The directors' participation was approved at a General Meeting held on 17 February 2016.

(ii) The following shares were issued during the financial year ended 30 June 2015

- On 18 September 2014 18,000,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per share pursuant to a placement to sophisticated investors;
- On 10 November 2014 4,880,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per shares to the directors' of the Company. The directors' participation was approved at the Annual General Meeting held on 3 November 2014;
- On 5 June 2015 14,584,231 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.065 per share pursuant to a placement to sophisticated investors;

(iii) Transactions costs represent the costs of issuing the shares.**14 RESERVES****(a) Movements in options reserve**

	CONSOLIDATED 30 JUNE 2016	CONSOLIDATED 30 JUNE 2015
	\$	\$
At the beginning of the year	732,423	263,816
Options issued during the year	874,000	468,607
Expiry of unlisted options (i)	(263,816)	-
At reporting date	1,342,607	732,423

(i) On 11 January 2016 11,000,000 options expired. None of these options were exercised.

Movement in options exercisable at \$0.15 on or before 30 September 2019

	NUMBER OF OPTIONS	\$
As 1 July 2014	-	-
Transactions during the year		
Options issued (ii)	70,998,288	481,183
Exercise of Options	-	-
Less: transaction costs (iii)	-	(12,576)
At 30 June 2015	70,998,288	468,607
As 1 July 2015	70,998,288	468,607
Transactions during the year		
Options issued (i)	46,588,751	-
At 30 June 2016	117,587,039	468,607

(i) **The following options were issued during the financial year ended 30 June 2016**

- On 7 August 2015 1,838,462 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.065 per share to the directors' of the Company. The directors' participation was approved at the General Meeting held on 27 July 2015;
- On 25 September 2015 28,164,816 shares, together with one (1) free attaching option for two (2) shares subscribed for, were issued at \$0.10 per shares pursuant to a placement to sophisticated investors ("September 2015 placement"); and
- On 27 November 2015 32,167,300 shares and 30,166,058 options were issued on the same terms as the September 2015 placement.

(ii) **The following options were issued during the financial year ended 30 June 2015**

- On 24 September 2014 the Company issued an Options Entitlement Prospectus that offered shareholders one (1) option for every two (2) shares held on 1 October 2014 at an issue price of \$0.01 per option. A total of 48,118,288 options were issued under the Prospectus.
- On 18 September 2014 18,000,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per share pursuant to a placement to sophisticated investors;
- On 10 November 2014 4,880,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per shares to the directors' of the Company. The directors' participation was approved at the Annual General Meeting held on 3 November 2014.

(iii) Transactions costs represent the costs of issuing the options.

Movement in unlisted options exercisable at \$0.22 on or before 18 March 2020

	NUMBER OF OPTIONS	\$
As 1 July 2015	-	-
Transactions during the year		
Options issued (i)	9,500,000	874,000
At 30 June 2016	9,500,000	874,000

(i) On 18 March 2016 the Company issued 9,500,000 unlisted options to employees and directors of the Company – Refer to Note 18 for details.

Movement in unlisted options exercisable at \$0.20 on or before 31 December 2015

	NUMBER OF OPTIONS	\$
As 1 July 2014	11,000,000	10,000
Transactions during the year		
Options issued	-	-
At 30 June 2015	11,000,000	10,000
As 1 July 2015	11,000,000	10,000
Transactions during the year		
Options issued	-	-
Expired during the year	(11,000,000)	(10,000)
At 30 June 2016	-	-

Movement in Performance Shares

	NUMBER OF CLASS A PERFORMANCE SHARES (i)	\$
As 1 July 2014	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2015	50	-
As 1 July 2015	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2016	50	-

	NUMBER OF CLASS B PERFORMANCE SHARES (i)	\$
As 1 July 2014	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2015	50	-
As 1 July 2015	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2016	50	-

General terms attaching to the Performance Shares are set out below.

Class A Performance Shares

- (a) Performance Shares: Each Class A Performance Share is a share in the capital of the Company.
- (b) Class A Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) The Class A Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) The Class A Performance Shares do not entitle the Holder to any dividends.
- (e) The Class A Performance Shares are not transferable.
- (f) If at any time the issue capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (g) The Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (h) The Class A Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (i) The Shares into which the Class A Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

Conversion of the Class A Performance Shares

- (j) Each Class A Performance Share will convert into 100,000 Shares upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Company by no later than 5 years from the 28 December 2012:
 - (i) The establishment of an inferred resources (JORC compliant) of at least 1 million ounces of gold within the tenements owned by the Company or any of its subsidiaries comprised by the Ghanaian Projects and DRC Projects;

- (ii) A project owned by the Company or any of its subsidiaries being comprised by the tenements the subject of all or part of the Ghanaian Projects or DRC Projects, being sold for at least \$25 million in cash or cash equivalent; or
- (iii) A joint venture arrangement being entered into in respect of any tenement or tenements owned by the Company or of any of its subsidiaries and being comprised by all or part of the Ghanaian Projects or DRC Projects resulting in a payment in cash or cash equivalent of the Company or not less than \$25 million.

(with all of the above performance hurdles constituting the “Class A Performance Hurdle)

- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class A Performance Shares into Shares.

The Directors are currently of the opinion that the vesting conditions are unlikely to be met within 5 years from Completion date. As such, no value has been ascribed to the Class A performance shares in the Group’s financial statements.

Class B Performance Shares

- (a) Performance Shares: Each Class B Performance Share is a share in the capital of the Company.
- (b) Class B Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) The Class B Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) The Class B Performance Shares do not entitle the Holder to any dividends.
- (e) The Class B Performance Shares are not transferable.
- (f) If at any time the issue capital of the Company is restructured, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (g) The Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (h) The Class B Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (i) The Shares into which the Class B Performance Shares will convert will rank *pari passu* in all respects with the other Shares on issue.

Conversion of the Class B Performance Shares

- (j) As outlined at Note 20, on 5 September 2016 50 Class B Performance Shares were converted into 5,000,000 fully paid ordinary shares of the Company. The Class B Performance Shares converted to 5,000,000 fully paid ordinary shares when the Company satisfied the requirement that the market capitalization of the Company reached at least \$50 million on an undiluted basis, determined by reference to the preceding 30 day VWAP.

Class C Performance Shares

	NUMBER OF CLASS C PERFORMANCE SHARES (ii)	\$
As 1 July 2014	-	-
Transactions during the year		
Performance shares issued	60	-
At 30 June 2015	60	-
As 1 July 2015	60	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2016	60	-

(ii) The following Class C performance shares were issued during the financial year ended 30 June 2015

On 17 February 2015, 60 performance shares were issued pursuant to the Asset Sale Agreement with Savannah to purchase the highly prospective Ndongo North concession adjacent to the exiting Ndongo area within the Bolgatanga project area in North-East Ghana.

There are 60 Performance Shares (convertible into a maximum of 6,000,000 Shares) on issue at 30 June 2016.

General terms attaching to the Performance Shares are set out below.

The Directors are currently of the opinion that the non-market vesting conditions are unlikely to be met within 5 years from the date issue. As such, no value has been ascribed to the performance shares in the group's financial statements.

The issue of 60 Performance Shares in the capital of the Company, each of which will convert to 100,000 Shares ranking equally with the existing Shares in the proportions set out below upon satisfaction of achieving a minimum JORC Inferred Resource of gold ounces within the Ndongo North Concession ("**Performance Hurdles**") by no later than five years after the date on which the Performance Shares are issued, being 18 February 2015;

Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000
5	2,250,000 ounces	500,000
5	2,500,000 ounces	500,000
5	2,750,000 ounces	500,000
5	3,000,000 ounces	500,000
60		6,000,000

In the event that the Company sells, transfers or otherwise disposes of all or part of the Ndongo North Concession to a third party prior to the issuing of any Shares upon conversion of any Performance Shares, Savannah will be entitled to an amount equal to 49% of the sale proceeds less any related selling costs, exploration and mining costs (plus a fixed 30% overhead amount), purchase costs in connection with the acquisition of the Ndongo North Concession, and any other costs incurred with respect to the sale.

(b) Movements in foreign translation reserve

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
At the beginning of the year	(377,471)	(292,646)
Foreign translation	78,464	(84,825)
	(299,007)	(377,471)

15 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Accumulated losses at the beginning of the year	(14,188,191)	(10,692,465)
Loss for the year	(9,322,373)	(3,495,726)
Expiry of unlisted options	263,817	-
Accumulated losses at the end of the year	(23,246,747)	(14,188,191)

16 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per shares	(9,322,373)	(3,495,726)
	(9,322,373)	(3,495,726)
	2016 Number	2015 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	167,886,217	91,614,740
Weighted average number of ordinary shares for diluted earnings per share	167,886,217	91,614,740

As the Company has made a loss for the year ended 30 June 2016, all options on issue are considered anti-dilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2016 \$	CONSOLIDATED 30 JUNE 2015 \$
Current – cash at bank	4,864,822	839,755
	4,864,822	839,755

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2015 \$
Loss after income tax	(9,322,373)	(3,495,726)
Non-cash flows in profit		
Depreciation expense	94,932	69,778
Impairment expense	-	771,449
Share based payments	874,000	-
Foreign exchange movement	20,213	(111,073)
Changes in assets and liabilities		
Decrease in trade and other receivables	(3,402)	13,292
(Increase)/Decrease in prepayments	(82,049)	(9,153)
Increase/(Decrease) in trade and other payables	1,285,270	239,717
	(7,133,409)	(2,521,716)

18 SHARE BASED PAYMENTS

- (i) The Company agreed and approved at the Company's General Meeting held on 17 February 2016 to allot and issue a total of 9,500,000 Options employees of the Company. The terms and conditions of the options are detailed in the Notice of General Meeting dated 1 January 2016.

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	9,500,000	18.03.2016	\$0.15	\$0.22	18.03.2020	1.95%	97.48%	\$0.092

The Directors of the Company (being Key Management Personnel) were issued unlisted options, details below:

Director	Number Options
Mark Connelly	1,000,000
Archie Koimstidis	3,000,000
Malik Easah	2,000,000
Mark Thomas	1,500,000
Simon Jackson	1,000,000

19 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements.

	2016 \$	2015 \$
Not later than one year	-	-
Later than one year but not later than two years	-	-
	<u>-</u>	<u>-</u>

(b) Contingent liabilities and commitments

The Group fully owns five subsidiaries, the main activities of which are exploration. The effect of these subsidiaries is to make the Cardinal Resources owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

	2016 \$	2015 \$
Not later than one year	404,373	1,606,269
Later than one year but not later than two years	1,145,724	391,773
	<u>1,550,097</u>	<u>1,998,042</u>

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").

Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Resources Subranum Limited will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, paid on 12 June 2016, US\$50,000 on the first anniversary of the approval date and a final \$100,000 on the second anniversary date. In addition Cardinal Resources Subranum Limited will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.

Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Resources Subranum Limited reports a "gold resource estimate" of 1 Moz of Gold. Subject to the grant of a Mining Lease under the Ghanaian Mining Act, Cardinal

Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% Net Smelter Royalty.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On 19 July 2016 the Company announced that is completed a placement to sophisticated investors. 75,000,000 fully paid ordinary shares were issued at \$0.29 per share. 55,518,670 Fully paid ordinary shares were issued on 19 July 2016 and 19,481,330 were issued on 26 August 2016 after Shareholder approval was obtained at the General Meeting held on 19 August 2016.

On 26 August 2016, 5 September 2016 and 22 September 2016 500,000, 575,000 and 25,000 Listed Options were exercised, respectively.

On 5 September 2016 50 Class B Performance Shares were converted into 5,000,000 fully paid ordinary shares of the Company. The Class B Performance Shares converted to 5,000,000 fully paid ordinary shares when the Company satisfied the requirement that the market capitalization of the Company reached at least \$50 million on an undiluted basis, determined by reference to the preceding 30 day VWAP.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

21 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2016	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	3,497,522	-	1,367,300	4,864,822	1.11%
Trade and other receivables	8 (a)	-	-	16,280	16,280	-
Cash deposits	8 (b)	-	-	26,970	26,970	-
		3,497,522	-	1,410,550	4,908,072	-
Financial liabilities						
Trade and other payables	12	-	-	1,713,467	1,713,467	-
		-	-	1,713,467	1,713,467	-

2015	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	674,371	-	165,384	839,755	2.69%
Trade and other receivables	8 (a)	-	-	12,878	12,878	-

2015	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
receivables						
Cash deposits	8 (b)	-	-	8,592	8,592	-
		674,371	-	186,854	861,225	-
Financial liabilities						
Trade and other payables	12	-	-	368,148	368,148	-
		-	-	368,148	368,148	-

Based on the balances at 30 June 2016 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$2,914 (2015: \$884).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial risk management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to is through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operations. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or new investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recouped in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cashflows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

Consolidated Group				Net Financial Assets/(Liabilities) In AUD			
				AUD	USD	GHS	Total AUD
Functional currency of entity:							
Australian dollar				2,057,645	1,169,600	-	3,227,245
GHS New Cedi				-	(20,153)	(55,732)	(75,885)
Statement of financial position exposure				2,057,645	1,149,447	(55,732)	3,151,360

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

22 RELATED PARTY TRANSACTIONS

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 24 and the key management personnel as detailed in the remuneration report and disclosed in note 7. At 30 June 2016 balances due from the subsidiaries, which have been fully provided for were:

Australian Dollar (\$)	30 JUNE 2016	30 JUNE 2015
	\$	\$
Cardinal Resources (Australia) Pty Ltd	5,964,901	4,306,405
Cardinal Resources Ghana Limited	4,752,980	1,548,460
Cardinal Resources Subranum Limited	87,714	8,020
Cardinal Mining Services Limited	3,918,000	340,190
Cardinal Namdini Mining Limited	-	-
	14,723,595	6,203,075

These amounts comprise of funds provided by the parent company for exploration activities.

23 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial

information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

24 SUBSIDIARIES

The parent entity, Cardinal Resources Limited, has 100% interest in the below subsidiaries. Cardinal Resources Limited is required to make all the financial and operating policy decisions of these subsidiaries.

Subsidiaries of Cardinal Resources Limited	Country of incorporation	Percentage owned %	
		2016	2015
Cardinal Resources (Australia) Pty Ltd	Australia	100%	100%
Cardinal Resources Ghana Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%
Cardinal Namdini Mining Limited	Ghana	100%	-

25 PARENT COMPANY DISCLOSURE

(a) Financial Position for the year ended 30 June 2016

Australian Dollar (\$)	30 JUNE 2016 \$	30 JUNE 2015 \$
Assets		
Current assets	3,638,374	725,395
Non-current assets	-	-
Total assets	3,638,374	725,395
Liabilities		
Current liabilities	1,635,481	317,532
Non-current liabilities	-	-
Total liabilities	1,635,481	317,532
Net assets	2,002,893	407,863
Equity		
Issued capital	26,273,118	14,926,167
Reserves	1,342,606	744,999
Accumulated losses	(25,612,831)	(15,263,303)
Total equity	2,002,893	407,863

(b) Financial Performance for the year ended 30 June 2016

Australian Dollar \$	30 JUNE 2016	30 JUNE 2015
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	\$	\$
Loss for the year	(10,613,334)	(2,762,612)
Other comprehensive income	-	-
Total comprehensive loss	(10,613,334)	(2,762,612)

(c) Guarantees entered into by the Parent Entity

30 JUNE 2016	30 JUNE 2015
\$	\$
-	-
-	-

Independent Auditor's Report

To the members of Cardinal Resources Limited

Report on the Financial Report

We have audited the accompanying financial report (the "Financial Report") of Cardinal Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Cardinal Resources Limited comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Financial Report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the Financial Report is in accordance with the *Corporations Act 2001*; and
- (b) the Financial Report gives a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date in accordance with Australian Accounting Standards, the *Corporations Regulations 2001* and International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with International Standards on Auditing.

Opinion

In our opinion, the Remuneration Report of Cardinal Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



Somes Cooke



Kevin Somes

Perth

30 September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30 JUNE 2015**

Australian Dollar (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
REVENUE	3	<u>5,269</u>	<u>21,827</u>
EXPENDITURE			
Administration expenses	4	(616,772)	(566,432)
Depreciation expenses	11	(69,778)	(91,219)
Exploration expenses		(2,143,615)	(1,898,777)
Exploration expenditure written off		-	(47,719)
Impairment expense	10	(781,903)	(7,309,500)
Foreign exchange expense		111,073	(73,528)
LOSS BEFORE INCOME TAX		<u>(3,495,726)</u>	<u>(9,965,348)</u>
Income tax	5(a)	-	-
LOSS AFTER INCOME TAX		<u>(3,495,726)</u>	<u>(9,965,348)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations	14	(84,825)	(198,734)
TOTAL COMPREHENSIVE INCOME		<u>(3,580,551)</u>	<u>(10,164,082)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(3,580,551)</u>	<u>(10,164,082)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	16	<u>(3.82)</u>	<u>(13.58)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	30 JUNE 2015	30 JUNE 2014
Australian Dollar (\$)		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	839,755	909,980
Trade and other receivables	8(a)	12,878	6,452
Other assets	8(b)	22,474	33,039
TOTAL CURRENT ASSETS		875,107	949,471
NON CURRENT ASSETS			
Capitalised exploration and evaluation	9	-	771,450
Plant and equipment	11	476,644	556,636
TOTAL NON CURRENT ASSETS		476,644	1,328,086
TOTAL ASSETS		1,351,751	2,277,557
CURRENT LIABILITIES			
Trade and other payables	12	368,148	127,366
TOTAL CURRENT LIABILITIES		368,148	127,366
TOTAL LIABILITIES		368,148	127,366
NET ASSETS		983,603	2,150,191
EQUITY			
Issued capital	13(a)	14,816,842	12,871,486
Reserves	14	354,952	(28,830)
Accumulated losses	15	(14,188,191)	(10,692,465)
TOTAL EQUITY		983,603	2,150,191

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

Australian (\$)

	SHARE CAPITAL \$	OPTIONS RESERVE \$	FOREIGN EXCHANGE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2014	12,871,486	263,816	(292,646)	(10,692,465)	2,150,191
Total comprehensive income	-	-	(84,825)	(3,495,726)	(3,580,551)
Share and options issued during the year	2,091,975	481,183	-	-	2,573,158
Share issue expenses	(146,619)	(12,576)	-	-	(159,195)
BALANCE AT 30 JUNE 2015	14,816,842	732,423	(377,471)	(14,188,191)	983,603
BALANCE AT 1 JULY 2013	12,871,486	1,666,316	(93,912)	(2,129,617)	12,314,273
Total comprehensive income	-	-	(198,734)	(9,965,348)	(10,164,082)
Expiry of options	-	(1,402,500)	-	1,402,500	-
BALANCE AT 30 JUNE 2014	12,871,486	263,816	(292,646)	(10,692,465)	2,150,191

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

Australian Dollar (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mineral interests		(1,962,385)	(2,003,253)
Other payments to suppliers and employees		(564,600)	(541,476)
Interest received		5,269	21,617
Net cash outflow from operating activities	17(b)	(2,521,716)	(2,523,112)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of mineral interest		-	(174,052)
Payments for term deposits		-	520,502
Purchase of plant and equipment		(50,465)	(477,099)
Net cash outflow from investing activities		(50,465)	(130,649)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		2,413,963	-
Net cash flows from financing activities		2,413,963	-
Net (decrease) in cash and cash equivalents		(158,218)	(2,653,761)
Cash and cash equivalents at the beginning of the financial year		909,980	3,634,269
Exchange rate adjustment		87,993	(70,528)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17(a)	839,755	909,980

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of Cardinal Resources Limited ("Cardinal Resources" or "the Company") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 30 September 2015.

Cardinal Resources Limited is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company for the year ended 30 June 2015 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Preparation of the Financial Report*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with the International Financial Reporting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

(b) *Principles of Consolidation*

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by Cardinal Resources Limited at the end of the reporting period. A controlled entity is any entity over which Cardinal Resources has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of year that they were controlled. A list of controlled entities is contained in note 24 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) *Business combinations*

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(d) Adoption of new and revised standards

There are a number of new Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Group in the current or future reporting periods.

(e) Statement of compliance

The financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(f) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(g) Exploration and evaluation expenditure

All exploration and evaluation expenditure on areas of interest are expensed as incurred except for cost of acquisition, which may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognised using the effective interest method.

(i) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(k) Impairment of assets

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(l) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(o) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered.

Exploration and evaluation assets

The accounting policy for exploration and evaluation expenditure results in costs of acquisition being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Impairment

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using various key assumptions.

(q) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Other income		
Interest from financial institutions	5,269	21,827
	5,269	21,827

4 EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Salary, fees and leave	81,000	160,500
Eligible termination payment	20,000	-
Defined contribution superannuation expense	4,275	8,325
	105,275	168,825

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Loss before income tax	(3,495,726)	(9,965,348)
Income tax calculated at 30%	(1,048,718)	(2,989,603)
Tax effect of:-		
Expenses not allowed	16	14,365
Sundry – temporary differences	477,812	2,549,044
Section 40-880 deduction	(67,729)	(58,177)
Future income tax benefit not brought to account	638,619	484,371
Income tax refund (payable) attributable to operating losses	-	-

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

The benefits will only be obtained if:

- (iv) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (v) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (vi) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Auditing and review of the Company's financial statements	24,000	26,000
	24,000	26,000

7 KEY MANAGEMENT PERSONNEL

(c) Details of key management personnel

Directors and Executives

Alec Pismiris – Non-Executive Chairman

Archie Koimtsidis – Managing Director

Malik Easah – Executive Director

Mark Thomas – Non-Executive Director – appointed on 31 August 2015

Simon Jackson – Non-Executive Director – appointed on 31 August 2015

Marcus Michael – Executive Director – retired on 11 June 2015

(d) **Compensation of key management personnel**

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Salaries, fees and leave	266,000	530,500
Eligible termination payment	20,000	-
Non monetary	11,330	10,670
Post employment benefits – superannuation	4,275	8,325
	301,605	549,495

Refer to the remuneration report contained in the directors report for details of the remuneration paid/payable and share and options holdings in relation to each of Group's key management personnel for the year ended 30 June 2015.

8 CURRENT ASSETS

(c) **Trade and Other Receivables**

	CONSOLIDATE D 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Government taxes receivables	12,878	6,452
	12,878	6,452

GST and income tax amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(d) **Other Assets**

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Prepayments	13,882	23,395
Cash deposits	8,592	9,644
	22,474	33,039

9 CAPITALISED EXPLORATION AND EVALUATION

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Balance at the beginning of the year	771,450	8,011,945
Cost of acquisitions	-	174,052
Expenditure written off	-	(47,719)
Impairment (Note 10)	(781,903)	(7,309,500)
Foreign exchange movement	10,453	(57,328)
Balance at end of year (i)	-	771,450

- (ii) The Recoupment of costs carried forwarded in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation on the sale of the respective area.

10 IMPAIRMENT EXPENSE

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Impairment expense (i)	781,903	7,309,500
	781,903	7,309,500

- (ii) In light of the current market conditions, the Directors' have conservatively impaired its capitalised deferred exploration and evaluation expenditure by \$781,903 as at 30 June 2015. As this is an estimation, the actual recoverable amount may be significantly different to this value. Future exploration and evaluation results and changes in commodity prices may increase the estimated recoverable amount in the future, which may result in the reversal of some or all of impairment recognised.

11 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Plant and Equipment		
Carrying amount at the beginning of the year	556,636	251,277
Additions	50,465	467,455
Depreciation expense	(69,778)	(91,219)
Foreign exchange movement	(60,679)	(70,877)
Total plant and equipment	476,644	556,636

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Plant and equipment		
At cost	666,623	691,542
Less: accumulated depreciation	(189,979)	(134,906)
Total plant and equipment	476,644	556,636

12 TRADE AND OTHER PAYABLES

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Trade and other payables	331,107	85,017
Other accrued expenses	37,041	42,349
	368,148	127,366

13 ISSUED CAPITAL

(a) Movement in ordinary shares on issue

	NUMBER OF SHARES	\$
As 1 July 2013	73,356,576	12,871,486
Transactions during the year		
Shares issued	-	-
Exercise of options	-	-
Less: transaction costs	-	-
At 30 June 2014	73,356,576	12,871,486
As 1 July 2014	73,356,576	12,871,486
Transactions during the year		
Shares issued (i)	37,464,231	2,091,975
Exercise of options	-	-
Less: transaction costs (ii)	-	(146,619)
At 30 June 2015	110,820,807	14,816,842

(i) The following shares were issued during the financial year ended 30 June 2015

- On 18 September 2014 18,000,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per share pursuant to a placement to sophisticated investors;
- On 10 November 2014 4,880,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per shares to the directors' of the Company. The directors' participation was approved at the Annual General Meeting held on 3 November 2014;
- On 5 June 2015 14,584,231 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.065 per share pursuant to a placement to sophisticated investors;

(ii) Transactions costs represent the costs of issuing the shares.

(b) Movement in options exercisable at \$0.20 on or before 30 June 2014

	NUMBER OF OPTIONS	\$
As 1 July 2013	56,657,620	1,402,500
Transactions during the year		
Options issued	-	-
Expiry of Options (i)	(56,657,620)	(1,402,500)
At 30 June 2014	-	-
As 1 July 2014	-	-
Transactions during the year		
Options issued	-	-
Expiry of Options	-	-
At 30 June 2015	-	-

(i) On 30 June 2014 56,657,620 options expired. None of these options were exercised.

(e) Movement in options exercisable at \$0.15 on or before 30 September 2019

	NUMBER OF OPTIONS	\$
As 1 July 2014	-	-
Transactions during the year		
Options issued (i)	70,998,288	481,183
Exercise of Options	-	-
Less: transaction costs (ii)	-	(12,576)
At 30 June 2015	70,998,288	468,607

(iv) The following options were issued during the financial year ended 30 June 2015

- On 24 September 2014 the Company issued an Options Entitlement Prospectus that offered shareholders one (1) option for every two (2) shares held on 1 October 2014 at an issue price of \$0.01 per option. A total of 48,118,288 options were issued under the Prospectus.
- On 18 September 2014 18,000,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per share pursuant to a placement to sophisticated investors;
- On 10 November 2014 4,880,000 shares, together with one (1) free attaching option for everyone one (1) share subscribed for, were issued at \$0.05 per shares to the directors' of the Company. The directors' participation was approved at the Annual General Meeting held on 3 November 2014.

(v) Transactions costs represent the costs of issuing the options.

(d) Movement in unlisted options exercisable at \$0.20 on or before 31 December 2015

	NUMBER OF OPTIONS	\$
As 1 July 2013	11,000,000	10,000
Transactions during the year		
Options issued	-	-
At 30 June 2014	11,000,000	10,000
As 1 July 2014	11,000,000	10,000
Transactions during the year		
Options issued	-	-
At 30 June 2015	11,000,000	10,000

(e) Movement in Performance Shares

	NUMBER OF CLASS A PERFORMANCE SHARES (i)	\$
As 1 July 2013	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2014	50	-
As 1 July 2014	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2015	50	-

	NUMBER OF CLASS B PERFORMANCE SHARES (i)	\$
As 1 July 2013	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2014	50	-
As 1 July 2014	50	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2015	50	-

(i) The following performance shares were issued during the financial year ended 30 June 2013

On 28 December 2012, 100 performance shares were issued pursuant to the Cardinal offer.

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Shares) on issue at 30 June 2015.

General terms attaching to the Performance Shares are set out below.

The Directors are currently of the opinion that the vesting conditions are unlikely to be met within 5 years from Completion date. As such, no value has been ascribed to the performance shares in the group's financial statements.

Class A Performance Shares

- (j) Performance Shares: Each Class A Performance Share is a share in the capital of the Company.
- (k) Class A Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (l) The Class A Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.

- (m) The Class A Performance Shares do not entitle the Holder to any dividends.
- (n) The Class A Performance Shares are not transferable.
- (o) If at any time the issue capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (p) The Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (q) The Class A Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (r) The Shares into which the Class A Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

Conversion of the Performance Shares

- (j) Each Class A Performance Share will convert into 100,000 Shares upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Company by no later than 5 years from the 28 December 2012:
 - (i) The establishment of an inferred resources (JORC compliant) of at least 1 million ounces of gold within the tenements owned by the Company or any of its subsidiaries comprised by the Ghanaian Projects and DRC Projects;
 - (ii) A project owned by the Company or any of its subsidiaries being comprised by the tenements the subject of all or part of the Ghanaian Projects or DRC Projects, being sold for at least \$25 million in cash or cash equivalent; or
 - (iii) A joint venture arrangement being entered into in respect of any tenement or tenements owned by the Company or of any of its subsidiaries and being comprised by all or part of the Ghanaian Projects or DRC Projects resulting in a payment in cash or cash equivalent of the Company or not less than \$25 million.

(with all of the above performance hurdles constituting the "Class A Performance Hurdle)
- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class A Performance Shares into Shares.

Class B Performance Shares

- (k) Performance Shares: Each Class B Performance Share is a share in the capital of the Company.
- (l) Class B Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (m) The Class B Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (n) The Class B Performance Shares do not entitle the Holder to any dividends.
- (o) The Class B Performance Shares are not transferable.

- (p) If at any time the issue capital of the Company is restructured, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (q) The Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (r) The Class B Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (s) The Shares into which the Class B Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

Conversion of the Performance Shares

- (j) Each Class B Performance Share will convert into 100,000 Shares upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Company by no later than 5 years from 28 December 2012:
 - (i) The market capitalization of the Company reaching at least \$50 million on an undiluted basis determined by reference to the preceding 30 day VWAP;

(with all of the above performance hurdles constituting the "Class B Performance Hurdle)
- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class B Performance Shares into Shares.

	NUMBER OF CLASS C PERFORMANCE SHARES (ii)	\$
As 1 July 2013	-	-
Transactions during the year		
Performance shares issued	-	-
At 30 June 2014	<u>-</u>	<u>-</u>
As 1 July 2014	-	-
Transactions during the year		
Performance shares issued	60	-
At 30 June 2015	<u>60</u>	<u>-</u>

(ii) The following performance shares were issued during the financial year ended 30 June 2015

On 17 February 2015, 60 performance shares were issued pursuant to the Asset Sale Agreement with Savannah to purchase the highly prospective Ndongo North concession adjacent to the exiting Ndongo area within the Bolgatanga project area in North-East Ghana.

There are 60 Performance Shares (convertible into a maximum of 6,000,000 Shares) on issue at 30 June 2015.

General terms attaching to the Performance Shares are set out below.

The Directors are currently of the opinion that the vesting conditions are unlikely to be met within 5 years from the date issue. As such, no value has been ascribed to the performance shares in the group's financial statements.

The issue of 60 Performance Shares in the capital of the Company, each of which will convert to 100,000 Shares ranking equally with the existing Shares in the proportions set out below upon satisfaction of achieving a minimum JORC Inferred Resource of gold ounces within the Ndongo North Concession ("**Performance Hurdles**") by no later than five years after the date on which the Performance Shares are issued, being 18 February 2015;

Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000
5	2,250,000 ounces	500,000
5	2,500,000 ounces	500,000
5	2,750,000 ounces	500,000
5	3,000,000 ounces	500,000
60		6,000,000

In the event that the Company sells, transfers or otherwise disposes of all or part of the Ndongo North Concession to a third party prior to the issuing of any Shares upon conversion of any Performance Shares, then Savannah will be entitled to an amount equal to 49% of the sale proceeds less any related selling costs, exploration and mining costs (plus a fixed 30% overhead amount), purchase costs in connection with the acquisition of the Ndongo North Concession, and any other costs incurred with respect to the sale.

14 RESERVES

Movements in options reserve

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
At the beginning of the year	263,816	1,666,316
Options issued during the year (note 13(c))	468,607	-
Expiry of unlisted options (i)	-	(1,402,500)
At reporting date	732,423	263,816

(i) On 30 June 2014 56,657,620 options expired. None of these options were exercised.

Movements in foreign translation reserve

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
At the beginning of the year	(292,646)	(93,912)
Foreign translation	(84,825)	(198,734)
	(377,471)	(292,646)

15 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Accumulated losses at the beginning of the year	(10,692,465)	(2,129,617)
Loss for the year	(3,495,726)	(9,965,348)
Expiry of unlisted options	-	1,402,500
Accumulated losses at the end of the year	(14,188,191)	(10,692,465)

16 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per shares	(3,495,726)	(9,965,348)
	(3,495,726)	(9,965,348)
	2015 Number	2014 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	91,614,740	73,356,576
Weighted average number of ordinary shares for diluted earnings per share	91,614,740	73,356,576

As the Company has made a loss for the year ended 30 June 2015, all options on issue are considered anti-dilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Current – cash at bank	839,755	909,980
	839,755	909,980

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Loss after income tax	(3,495,726)	(9,965,348)
Non-cash flows in profit		
Depreciation expense	69,778	91,219

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Exploration write off	-	47,719
Impairment expense	771,449	7,309,500
Foreign exchange movement	(111,073)	-
Changes in assets and liabilities		
Decrease in trade and other receivables	13,292	2,006
(Increase)/Decrease in prepayments	(9,153)	19,850
Increase/(Decrease) in trade and other payables	239,717	(28,058)
	<u>(2,521,716)</u>	<u>(2,523,112)</u>

18 SHARE BASED PAYMENTS

There were no share based payments made during the year ended 30 June 2015.

19 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements.

	2015 \$	2014 \$
Not later than one year	-	-
Later than one year but not later than two years	-	-
	<u>-</u>	<u>-</u>

(b) Contingent liabilities and commitments

The Group fully owns four subsidiaries, the main activities of which are exploration. The effect of these subsidiaries is to make the Cardinal Resources owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

	2015 \$	2014 \$
Not later than one year	1,606,269	-
Later than one year but not later than two years	391,773	-
	<u>1,998,042</u>	<u>-</u>

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").

Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Resources Subranum Limited will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, US\$50,000 on the first anniversary of the approval date and a final \$100,000 on the second anniversary date. In addition

Cardinal Resources Subranum Limited will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.

Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Resources Subranum Limited reports a "gold resource estimate" of 1 Moz of Gold. Subject to the grant of a Mining Lease under the Ghanaian Mining Act, Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% Net Smelter Royalty.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On 7 August 2015 the Company issued 1,838,462 fully paid ordinary shares and 1,838,462 Options exercisable at \$0.15 on or before 30 September 2019 to the Directors' of the Company, namely Messrs. Alec Pismiris, Archie Koimtsidis and Malik Easah. The shares and options were issued under the same terms as the June 2015 Placement for an aggregate subscription amount of \$119,500. The Directors' Placement was approved at the Company's general meeting held on 27 July 2015.

On 7 August 2015 the Company issued 14,584,231 free attaching options for every share subscribed for under the June 2015 Placement. The issue of the free attaching options was approved at the Company's general meeting held on 27 July 2015.

On 1 September 2015 the Company appointed Mark Thomas and Simon Jackson as Non-Executive Directors of the Company.

On 21 September 2015 Cardinal announced that it had acceptances and commitments from sophisticated and professional investors in respect of a placement to issue fully paid ordinary shares at 10 cents each with a free listed option, exercisable at \$0.15 on or before 30 September 2019, for every two new shares subscribed for to raise up to \$5.0 million.

The Placement will be undertaken in two tranches. The first tranche of 28,164,816 shares was issued on 25 September 2015 for approximately \$2,816,481. The balance of the Placement shares, of up to 21,835,184 shares and all of the Listed Options will be issued subject to Cardinal shareholder approval being obtained.

The directors of the Company (namely, Messrs. Alec Pismiris, Archie Koimtsidis, Malik Easah, Mark Thomas and Simon Jackson) will, subject to shareholder approval, participate in the placement to subscribe for a total of 8,418,820 Shares and 4,209,410 Listed Options for an aggregate subscription amount of \$841,882.

On 30 September 2015 the Company announced that it had received a commitment from Macquarie Bank Limited in respect of a placement to issue 10,000,000 fully paid ordinary shares at 10 cents each with a free listed option, exercisable at \$0.15 on or before 30 September 2019, for every two new shares subscribed for to raise up to \$1.0 million. The shares and options will be issued on shareholder approval being obtained.

On 30 September 2015 the Company announced that it had received a commitment from Macquarie Bank Limited in respect of a placement to issue 10,000,000 fully paid ordinary shares at 10 cents each with a free listed option, exercisable at \$0.15 on or before 30 September 2019, for every two new shares subscribed for to raise up to \$1.0 million. The shares and options will be issued on shareholder approval being obtained.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

21 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2015	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	674,371	-	165,384	839,755	2.69%
Trade and other receivables	8 (a)	-	-	12,878	12,878	-
Other assets	8 (b)	-	-	22,474	22,474	-
		674,371	-	200,736	875,107	-
Financial liabilities						
Trade and other payables	12	-	-	368,148	368,148	-
		-	-	368,148	368,148	-

2014	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	88,375	-	821,605	909,980	2.82%
Trade and other receivables	8 (a)	-	-	6,452	6,452	-
Other assets	8 (b)	-	-	33,039	33,039	-
		88,375	-	861,096	949,471	-
Financial liabilities						
Trade and other payables	12	-	-	127,366	127,366	-
		-	-	127,366	127,366	-

Based on the balances at 30 June 2015 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$6,743 (2014: \$884).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial risk management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to is through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operations. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or new investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recouped in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cashflows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

Consolidated Group	Net Financial Assets/(Liabilities) In AUD			
	AUD	USD	GHS	Total AUD
Functional currency of entity:				
Australian dollar	389,614	1,094	-	390,708
GHS New Cedi	-	121,972	(41,068)	80,904
Statement of financial position exposure	389,614	123,066	(41,068)	471,612

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

22 RELATED PARTY TRANSACTIONS

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 24 and the key management personnel as detailed in the remuneration report and disclosed in note 7. At 30 June 2015 balances due from the subsidiaries were:

Australian Dollar (\$)	30 JUNE 2015	30 JUNE 2014
	\$	\$
Cardinal Resources (Australia) Pty Ltd	4,306,405	4,129,130
Cardinal Resources Ghana Limited	1,548,460	814,485
Cardinal Resources Subranum Limited	8,020	8,670
Cardinal Mining Services Limited	340,190	-
	6,203,075	4,952,285

These amounts comprise of funds provided by the parent company for exploration activities.

Accounting, bookkeeping, corporate secretarial and administration service fees of \$196,506 (2014: \$160,542) were paid or payable on ordinary commercial terms during the year to Marshall Michael Pty Ltd, a company in which Mr. Michael was a director. At 30 June 2015 \$28,444 (2014: \$10,872) was payable to Marshall Michael Pty Ltd.

23 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

24 SUBSIDIARIES

The parent entity, Cardinal Resources Limited, has 100% interest in the below subsidiaries. Cardinal Resources Limited is required to make all the financial and operating policy decisions of these subsidiaries.

Subsidiaries of Cardinal Resources Limited	Country of incorporation	Percentage owned %	
		2015	2014
Cardinal Resources (Australia) Pty Ltd	Australia	100%	100%
Cardinal Resources Ghana Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%

The parent entity acquired a 100% interest in Cardinal Resources (Australia) Limited on 28 December 2012. Cardinal Resources (Australia) Limited has a 100% interest in Cardinal Resources Ghana Limited, Cardinal Mining Services Limited, and Cardinal Resources Subranum Limited.

26 PARENT COMPANY DISCLOSURE

(d) Financial Position for the year ended 30 June 2015

Australian Dollar (\$)	30 JUNE 2015 \$	30 JUNE 2014 \$
Assets		
Current assets	725,395	152,631
Non-current assets	-	693,000
Total assets	725,395	845,631
Liabilities		
Current liabilities	317,532	89,119
Non-current liabilities	-	-
Total liabilities	317,532	89,119
Net assets	407,863	756,512
Equity		
Issued capital	14,926,167	12,993,387
Reserves	744,999	263,816
Accumulated losses	(15,263,303)	(12,500,691)
Total equity	407,863	756,512

(e) Financial Performance for the year ended 30 June 2015

Australian Dollar \$	30 JUNE 2015 \$	30 JUNE 2014 \$
Loss for the year	(2,762,612)	(8,969,208)
Other comprehensive income	-	-
Total comprehensive loss	(2,762,612)	(8,969,208)

(f) Guarantees entered into by the Parent Entity

30 JUNE 2015 \$	30 JUNE 2014 \$
-	-
-	-

Independent Auditor's Report

To the members of Cardinal Resources Limited

Report on the Financial Report

We have audited the accompanying financial report (the "Financial Report") of Cardinal Resources Limited (the "Company"), which comprises the statement of financial position as at 30 June 2014, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Financial Report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cardinal Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the Financial Report is in accordance with the *Corporations Act 2001*; and
- (b) the Financial Report gives a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date in accordance with Australian Accounting Standards, the *Corporations Regulations 2001* and International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with International Standards on Auditing.

Opinion

In our opinion, the Remuneration Report of Cardinal Resources Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001



Somes Cooke



Kevin Somes
Partner

25 September 2014

Level 2, 35 Outram Street,
West Perth
WA 6005

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

Australian Dollar (\$)	Note	30 JUNE 2014 \$	30 JUNE 2013 \$
REVENUE	3	<u>21,827</u>	<u>113,617</u>
EXPENDITURE			
Administration expenses	4	(566,432)	(756,027)
Exploration expenses		(1,989,996)	(1,472,680)
Exploration expenditure written off		(47,719)	-
Impairment expense	10	(7,309,500)	-
Foreign exchange expense		(73,528)	201,486
LOSS BEFORE INCOME TAX		<u>(9,965,348)</u>	<u>(1,913,604)</u>
Income tax	5(a)	-	-
LOSS AFTER INCOME TAX		<u>(9,965,348)</u>	<u>(1,913,604)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations	14	(198,734)	(93,912)
TOTAL COMPREHENSIVE INCOME		<u>(10,164,082)</u>	<u>(2,007,516)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(10,164,082)</u>	<u>(2,007,516)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	16	<u>(13.58)</u>	<u>(4.2)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

Australian Dollar (\$)	Note	30 JUNE 2014	30 JUNE 2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	909,980	3,634,269
Trade and other receivables	8(a)	6,452	11,059
Other assets	8(b)	33,039	561,145
TOTAL CURRENT ASSETS		949,471	4,206,473
NON CURRENT ASSETS			
Capitalised exploration and evaluation	9	771,450	8,011,945
Plant and equipment	11	556,636	251,277
TOTAL NON CURRENT ASSETS		1,328,086	8,263,222
TOTAL ASSETS		2,277,557	12,469,695
CURRENT LIABILITIES			
Trade and other payables	12	127,366	155,422
TOTAL CURRENT LIABILITIES		127,366	155,422
TOTAL LIABILITIES		127,366	155,422
NET ASSETS		2,150,191	12,314,273
EQUITY			
Issued capital	13(a)	12,871,486	12,871,486
Reserves	14	(28,830)	1,572,404
Accumulated losses	15	(10,692,465)	(2,129,617)
TOTAL EQUITY		2,150,191	12,314,273

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

Australian (\$)

	SHARE CAPITAL	OPTIONS RESERVE	FOREIGN EXCHANGE RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2013	12,871,486	1,666,316	(93,912)	(2,129,617)	12,314,273
Total comprehensive income	-	-	(198,734)	(9,965,348)	(10,164,082)
Expiry of options	-	(1,402,500)	-	1,402,500	-
BALANCE AT 30 JUNE 2014	12,871,486	263,816	(292,646)	(10,692,465)	2,150,191
BALANCE AT 1 JULY 2012	2,024,917	253,816	-	(216,013)	2,062,720
Total comprehensive income	-	-	(93,912)	(1,913,604)	(2,007,516)
Shares issued during the year	11,317,998	1,412,500	-	-	12,730,498
Share issue expenses	(461,429)	-	-	-	(461,429)
Share based payment expense	(10,000)	-	-	-	(10,000)
BALANCE AT 30 JUNE 2013	12,871,486	1,666,316	(93,912)	(2,129,617)	12,314,273

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

Australian Dollar (\$)	Note	30 JUNE 2014	30 JUNE 2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mineral interests		(2,003,253)	(1,226,038)
Other payments to suppliers and employees		(541,476)	(922,923)
Interest received		21,617	67,003
Net cash outflow from operating activities	17(b)	(2,523,112)	(2,081,958)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of mineral interest		(174,052)	-
Payments for term deposits		520,502	(449,381)
Purchase of plant and equipment		(477,099)	(72,800)
Cash acquired on acquisition of subsidiary	24	-	329,978
Net cash outflow from investing activities		(130,649)	(192,203)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		-	4,089,086
Net cash flows from financing activities		-	4,089,086
Net (decrease)/increase in cash and cash equivalents		(2,653,761)	1,814,925
Cash and cash equivalents at the beginning of the financial year		3,634,269	2,008,090
Exchange rate adjustment		(70,528)	(188,746)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	17(a)	909,980	3,634,269

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of Cardinal Resources Limited ("Cardinal Resources" or "the Company") for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 25 September 2014.

Cardinal Resources Limited is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Company for year ended 30 June 2014 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Preparation of the Financial Report*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with the International Financial Reporting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

(b) *Principles of Consolidation*

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by Cardinal Resources Limited at the end of the reporting period. A controlled entity is any entity over which Cardinal Resources has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of year that they were controlled. A list of controlled entities is contained in note 24 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) *Business combinations*

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(d) Adoption of new and revised standards

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Other standards not yet applicable

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1031 'Materiality' (2013)	1 January 2017	30 June 2018
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015

(e) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(f) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(g) Exploration and evaluation expenditure

All exploration and evaluation expenditure on areas of interest are expensed as incurred except for cost of acquisition, which may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognised using the effective interest method.

(i) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with

entitlements arising from wages and salaries and annual leave which will be settled after one year, have measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(k) Impairment of assets

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(l) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(o) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered.

Exploration and evaluation assets

The accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Impairment

The consolidated group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using various key assumptions.

(q) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Other income		
Interest from financial institutions	21,827	113,617
	21,827	113,617

4 EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Company secretarial fees	-	22,500
Directors fees	160,500	385,000
Defined contribution superannuation expense	8,325	6,975
	168,825	414,475

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Loss before income tax	(9,965,348)	(1,913,604)
Income tax calculated at 30%	(2,989,603)	(574,081)
Tax effect of:-		
Expenses not allowed	14,365	135
Sundry – temporary differences	2,549,044	(92,432)
Section 40-880 deduction	(58,177)	(72,710)
Future income tax benefit not brought to account	484,371	739,088
Income tax refund (payable) attributable to operating losses	-	-

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

The benefits will only be obtained if:

- (vii) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (viii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (ix) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Auditing and review of the Company's financial statements	26,000	31,900
	26,000	31,900

7 KEY MANAGEMENT PERSONNEL

(e) Details of key management personnel

Directors and Executives

Alec Pismiris – Non-Executive Chairman – Prior to 17 June 2014 Non-Executive Director

Archie Koimtsidis – Managing Director

Malik Easah – Executive Director

Marcus Michael – Executive Director

Klaus Eckhof – Non-Executive Chairman – Retired 17 June 2014

(f) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Salaries, fees and leave	530,500	407,500
Non monetary	10,670	9,631
Post employment benefits – superannuation	8,325	6,975
	549,495	424,106

Refer to the remuneration report contained in the directors report for details of the remuneration paid/payable and share and options holdings in relation to each of Group's key management personnel for the year ended 30 June 2014.

8 CURRENT ASSETS

(f) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Other receivables	-	3,125
Government taxes receivables	6,452	7,934
	6,452	11,059

GST and income tax amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(g) **Other Assets**

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Prepayments	23,395	43,244
Cash deposits	9,644	517,901
	<u>33,039</u>	<u>561,145</u>

9 CAPITALISED EXPLORATION AND EVALUATION

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Balance at the beginning of the year	8,011,945	103,985
Cost of acquisitions	174,052	87,446
Expenditure written off	(47,719)	-
Acquired on acquisition of subsidiary (Note 24)	-	7,924,499
Impairment (Note 10)	(7,309,500)	(103,985)
Foreign exchange movement	(57,328)	-
Balance at end of year (i)	<u>771,450</u>	<u>8,011,945</u>

- (iii) The Recoupment of costs carried forwarded in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation on the sale of the respective area.

10 IMPAIRMENT EXPENSE

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Impairment expense (i)	7,309,500	-
	<u>7,309,500</u>	<u>-</u>

- (iii) In light of the current market conditions, the Directors' have conservatively estimated the recoverable amount of its mineral projects based on the Company's market capitalization. As a result the Group has impaired its capitalised deferred exploration and evaluation expenditure by \$7,309,500 as at 30 June 2014. As this is an estimation, the actual recoverable amount may be significantly different to this value. Future exploration and evaluation results and changes in commodity prices may increase the estimated recoverable amount in the future, which may result in the reversal of some or all of impairment recognised.

11 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Plant and Equipment		
Carrying amount at the beginning of the year	251,277	-
Additions	467,455	371,694

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Depreciation expense	(91,219)	(120,417)
Foreign exchange movement	(70,877)	-
Total plant and equipment	556,636	251,277

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Plant and equipment		
At cost	691,542	369,418
Less: accumulated depreciation	(134,906)	(118,141)
Total plant and equipment	556,636	251,277

12 TRADE AND OTHER PAYABLES

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Trade and other payables	85,017	118,073
Other accrued expenses	42,349	37,349
	127,366	155,422

13 ISSUED CAPITAL

(a) Movement in ordinary shares on issue

	NUMBER OF SHARES	\$
At 1 July 2012	16,713,500	2,024,917
Transactions during the period		
Shares issued (i)	56,615,576	11,312,498
Exercise of options (ii)	27,500	5,500
Less: transaction costs (iii)	-	(471,429)
At 30 June 2013	73,356,576	12,871,486
As 1 July 2013	73,356,576	12,871,486
Transactions during the year		
Shares issued	-	-
Exercise of options	-	-
Less: transaction costs	-	-
At 30 June 2014	73,356,576	12,871,486

(i) The following shares were issued during the financial year ended 30 June 2013

- On 28 December 2012 20,450,576 shares were issued at \$0.20 per share were issued pursuant to the Non-Renounceable Entitlement Offer dated 15 November 2012;
- On 28 December 2012 33,000,000 shares were issued to shareholders of Cardinal Resources (Australia) Pty Ltd to acquire Cardinal Resources (Australia) Pty Ltd;
- On 28 December 2012 1,500,000 shares were issued in full satisfaction of loans made to Cardinal (Australia) Pty Ltd; and

- On 10 January 2013 1,665,000 shares were issued at \$0.20 per share pursuant to the Non-Renounceable Entitlement Offer dated 15 November 2012.

(ii) The following shares were issued on exercise of options during the financial year ended 30 June 2013

- On 23 November 2012 15,000 shares were issued on exercise of \$0.20 options expiring 30 June 2014; and
- On 28 November 2012 12,500 shares were issued on exercise of \$0.20 options expiring 30 June 2014.

(iii) Transactions costs represent the costs of issuing the shares, and includes

- On 8 February 2013 5,000,000 options were issued at \$0.002 per Option to the Lead Manager Azure Capital Limited as part consideration for underwriting up to \$4.0 million of the Cardinal Non-Renounceable Entitlement Offer (see note 18).

(b) Movement in options exercisable at \$0.20 on or before 30 June 2014

		NUMBER OF OPTIONS	\$
At 1 July 2012		6,261,750	-
Transactions during the period			
Options issued	(i)	50,423,370	1,402,500
Exercise of options	(ii)	(27,500)	-
At 30 June 2013		56,657,620	1,402,500
As 1 July 2013		56,657,620	1,402,500
Transactions during the year			
Options issued		-	-
Expiry of Options	(iii)	(56,657,620)	(1,402,500)
At 30 June 2014		-	-

(i) The following options were issued during the financial year ended 30 June 2013

- On 28 December 2012 30,675,870 options were issued pursuant to the Non-Renounceable Entitlement Offer dated 15 November 2012;
- On 28 December 2012 16,500,000 options were issued to shareholders of Cardinal Resources (Australia) Pty Ltd to acquire Cardinal Resources (Australia) Pty Ltd;
- On 28 December 2012 750,000 options were issued in full satisfaction of loans made to Cardinal (Australia) Pty Ltd; and
- On 10 January 2013 2,497,500 options were issued pursuant to the Non-Renounceable Entitlement Offer dated 15 November 2012.

(ii) The following shares were issued on exercise of options during the financial year ended 30 June 2013

- On 23 November 2012 15,000 shares were issued on exercise of \$0.20 options expiring 30 June 2014; and
- On 28 November 2012 12,500 shares were issued on exercise of \$0.20 options expiring 30 June 2014.

(iii) On 30 June 2014 56,657,620 options expired. None of these options were exercised.

(c) Movement in unlisted options exercisable at \$0.20 on or before 31 December 2015

		NUMBER OF OPTIONS	\$
At 1 July 2012		6,000,000	-
Transactions during the period			
Options issued	(i)	5,000,000	10,000
At 30 June 2013		11,000,000	10,000
As 1 July 2013		11,000,000	10,000
Transactions during the year			
Options issued		-	-
At 30 June 2014		11,000,000	10,000

(i) The following unlisted options were issued during the financial year ended 30 June 2013

- On 8 February 2013 in accordance with the terms of a corporate advisory mandate, Azure Capital Limited and its nominees were issued 5,000,000 Lead Manager Options were issued at \$0.002 per option as part consideration for underwriting up to \$4.0 million of the Cardinal Non-Renounceable Entitlement Issue (see note 18).

(d) Movement in Performance Shares

		NUMBER OF CLASS A PERFORMANCE SHARES	\$
At 1 July 2012		-	-
Transactions during the period			
Performance shares issued	(i)	50	-
At 30 June 2013		50	-
As 1 July 2013		50	-
Transactions during the year			
Performance shares issued		-	-
At 30 June 2014		50	-

		NUMBER OF CLASS B PERFORMANCE SHARES	\$
At 1 July 2012		-	-
Transactions during the period			
Performance shares issued	(i)	50	-
At 30 June 2013		50	-
As 1 July 2013		50	-
Transactions during the year			
Performance shares issued		-	-
At 30 June 2014		50	-

(i) The following performance shares were issued during the financial year ended 30 June 2013

On 28 December 2012, 100 performance shares were issued pursuant to the Cardinal offer.

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Shares) on issue at 30 June 2014.

General terms attaching to the Performance Shares are set out below.

The Directors are currently of the opinion that the vesting conditions are unlikely to be met within 5 years from Completion date. As such, no value has been ascribed to the performance shares in the group's financial statements.

Class A Performance Shares

- (s) Performance Shares: Each Class A Performance Share is a share in the capital of the Company.
- (t) Class A Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (u) The Class A Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (v) The Class A Performance Shares do not entitle the Holder to any dividends.
- (w) The Class A Performance Shares are not transferable.
- (x) If at any time the issue capital of the Company is restructured, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (y) The Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (z) The Class A Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (aa) The Shares into which the Class A Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

Conversion of the Performance Shares

- (j) Each Class A Performance Share will convert into 100,000 Shares upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Company by no later than 5 years from the Completion Date:
 - (i) The establishment of an inferred resources (JORC compliant) of at least 1 million ounces of gold within the tenements owned by the Company or any of its subsidiaries comprised by the Ghanaian Projects and DRC Projects;
 - (ii) A project owned by the Company or any of its subsidiaries being comprised by the tenements the subject of all or part of the Ghanaian Projects or DRC Projects, being sold for at least \$25 million in cash or cash equivalent; or

- (iii) A joint venture arrangement being entered into in respect of any tenement or tenements owned by the Company or of any of its subsidiaries and being comprised by all or part of the Ghanaian Projects or DRC Projects resulting in a payment in cash or cash equivalent of the Company or not less than \$25 million.

(with all of the above performance hurdles constituting the "Class A Performance Hurdle)

- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class A Performance Shares into Shares.

Class B Performance Shares

- (t) Performance Shares: Each Class B Performance Share is a share in the capital of the Company.
- (u) Class B Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (v) The Class B Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (w) The Class B Performance Shares do not entitle the Holder to any dividends.
- (x) The Class B Performance Shares are not transferable.
- (y) If at any time the issue capital of the Company is restructured, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (z) The Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (aa) The Class B Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by ASX.
- (bb) The Shares into which the Class B Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

Conversion of the Performance Shares

- (j) Each Class B Performance Share will convert into 100,000 Shares upon satisfaction of one of the following performance hurdles to the reasonable satisfaction of the Company by no later than 5 years from the Completion Date:

- (i) The market capitalization of the Company reaching at least \$50 million on an undiluted basis determined by reference to the preceding 30 day VWAP;

(with all of the above performance hurdles constituting the "Class B Performance Hurdle)

- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class B Performance Shares into Shares.

14 RESERVES

Movements in options reserve

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
At the beginning of the year	1,666,316	253,816
Options issued during the year (i), (ii)	-	1,412,500
Expiry of unlisted options (iii)	(1,402,500)	-
At reporting date	263,816	1,666,316

- (i) On 28 December 2012, as part consideration for the acquisition of Cardinal Resources (Australia) Limited (Note 24), the parent entity issued 16,500,000 options to subscribe for ordinary shares, exercisable at \$0.20 each on or before 30 June 2014. The fair value of the options issued was estimated at the date of grant using the Binomial Option Pricing Model. The following table sets out the assumptions made in determining the fair value of the options granted:

Grant Date	28 December 2012
Dividend yield	0.00%
Expected volatility	80.00%
Risk-free interest rate	2.62%
Option exercise price	\$0.20
Expected life (years)	1.5
Share price on date of grant	\$0.204

- (ii) On 8 February 2013 in accordance with the terms of a corporate advisory mandate, Azure Capital Limited and its nominees were issued 5,000,000 Lead Manager Options were issued at \$0.002 per option as part consideration for underwriting up to \$4.0 million of the Cardinal Non-Renounceable Entitlement Issue (see note 18).

- (iii) On 30 June 2014 56,657,620 options expired. None of these options has been exercised.

Movements in foreign translation reserve

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
At the beginning of the year	(93,912)	-
Foreign translation	(198,734)	(93,912)
	(292,646)	(93,912)

15 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
	\$	\$
Accumulated losses at the beginning of the year	(2,129,617)	(216,013)
Loss for the year	(9,965,348)	(1,913,604)
Expiry of unlisted options	1,402,500	-
Accumulated losses at the end of the year	(10,692,465)	(2,129,617)

16 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per shares	(9,965,348)	(1,913,604)
	(9,965,348)	(1,913,604)
	2014 Number	2013 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	73,356,576	45,366,169
Weighted average number of ordinary shares for diluted earnings per share	73,356,576	45,366,169

As the Company has made a loss for the year ended 30 June 2014, all options on issue are considered anti-dilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Current – cash at bank	909,980	3,127,529
Short term deposits	-	506,740
	909,980	3,634,269

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2014 \$	CONSOLIDATED 30 JUNE 2013 \$
Loss after income tax	(9,965,348)	(1,913,604)
Non-cash flows in profit		
Depreciation expense	91,219	70,887
Exploration write off	47,719	-
Impairment expense	7,309,500	-
Changes in assets and liabilities		
Decrease in trade and other receivables	2,006	26,409
Decrease/(increase) in prepayments	19,850	(111,764)
(Decrease) in trade and other payables	(28,058)	(153,886)

CONSOLIDATED 30 JUNE 2014	CONSOLIDATED 30 JUNE 2013
\$	\$
<u>(2,523,112)</u>	<u>(2,081,958)</u>

Non-Cash Transactions

(a) Acquisition of Entities

During the year ended 30 June 2013 the Company acquired 100% of Cardinal Resources (Australia) Pty Ltd and repaid loans by the issue of ordinary shares see note 13(a)(i), 13(b)(i) and 24.

(b) Underwriting fee see note 13(c)(i).

(c) Repayment of subsidiary loans see note 13(a)(i).

18 SHARE BASED PAYMENTS

(a) Supplier Options

(i) There were no supplier options issued during the year ended 30 June 2014.

(ii) On 8 February 2013 in accordance with the terms of a corporate advisory mandate, Azure Capital Limited and its nominees were issued 5,000,000 Lead Manager Options were issued at \$0.002 per option as part consideration for underwriting up to \$4.0 million of the Cardinal Non-Renounceable Entitlement Issue.

The fair value of the options issued, being \$0.082 per option, was estimated at the date of grant using the Binomial Option Pricing Model. The following table sets out the assumptions made in determining the fair value of the options granted:

Grant Date	8 February 2013
Dividend yield	0.00%
Expected volatility	80.00%
Risk-free interest rate	2.62%
Option exercise price	\$0.20
Expected life (years)	2.0
Share price on date of grant	\$0.17

19 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements.

	2014 \$	2013 \$
Not later than one year	-	-
Later than one year but not later than two years	-	-
	<u>-</u>	<u>-</u>

(b) Contingent liabilities and commitments

The Group fully owns four subsidiaries, the main activities of which are exploration. The effect of these subsidiaries is to make the Cardinal Resources owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

The Group has no contingent liabilities and commitments at 30 June 2013 and 30 June 2014.

20 EVENTS SUBSEQUENT TO BALANCE DATE

On 18 September 2014 Cardinal announced the completion of a Placement of shares at 5.0 cents together with one free attaching options ("New Options") for each share to raise up to \$900,000.

In addition to the Placement, the directors of the Company (namely, Messrs. Alec Pismiris, Archie Koimtsidis, Marcus Michael and Malik Easah) will, subject to shareholder approval, participate in a placement to subscribe for a total of 4.88 million Shares and 4.88 million New Options for an aggregate subscription amount of approximately \$244,000 ("Director Placement"). The Director Placement will be made on the same terms and conditions as the Placement.

The New Options will be exercisable at \$0.15 on or before 5:00pm (WST) on the date that is 5 years from the date of issue.

The New Options to be issued was part of the Placement and the Director Placement will be issued subject to shareholder approval being obtained.

The Company will also undertake a pro-rata non-renounceable rights issue of New Options on the basis of one New Option for every two shares held by eligible shareholders on the record date ("Rights Issue").

The New Options to be issued under the Rights Issue will be issued on the same terms and conditions as the New Options to be issued as part the Placement, and the subscription price for the New Options under the Rights Issue will be \$0.01 per New Option.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

21 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2014	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	88,375	-	821,605	909,980	2.82%
Trade and other receivables	8 (a)	-	-	6,452	6,452	-
Other assets	8 (b)	-	-	33,039	33,039	-

2014	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
		88,375	-	861,096	949,471	-
Financial liabilities						
Trade and other payables	12	-	-	127,366	127,366	-
		-	-	127,366	127,366	-

2013	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	17 (a)	3,331,100	-	303,168	3,634,268	4.01%
Trade and other receivables	8 (a)	-	-	11,059	11,059	-
Other assets	8 (b)	-	517,901	43,243	561,144	6.42%
		3,331,100	517,901	357,470	4,206,471	-
Financial liabilities						
Trade and other payables	12	-	-	155,422	155,422	-
		-	-	155,422	155,422	-

Based on the balances at 30 June 2014 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$884 (2013: \$38,490).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial risk management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to is through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or new investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recouped in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cashflows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

Consolidated Group		Net Financial Assets/(Liabilities) In AUD			
		AUD	USD	GHS	Total AUD
Functional currency of entity:					
Australian dollar		573,847	774,821	-	1,348,668
GHS New Cedi		-	-	801,523	801,523
Statement of financial position exposure		573,847	774,821	801,523	2,150,191

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

22 RELATED PARTY TRANSACTIONS

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 24 and the key management personnel as detailed in the remuneration report and disclosed in note 7. At 30 June 2014 balances due from the subsidiaries were:

Australian Dollar (\$)	30 JUNE 2014	30 JUNE 2013
	\$	\$
Cardinal Resources (Australia) Pty Ltd	4,129,130	3,908,930
Cardinal Resources Ghana Limited	814,485	124,538
Cardinal Resources Subranum Limited	8,670	-
Cardinal Mining Services Limited	-	-
	4,952,285	4,033,468

These amounts comprise of funds provided by the parent company for exploration activities.

During the financial year nil fees (2013: \$272,812) were paid and accrued under normal terms and conditions to Azure Capital Limited, of which Mr. Pismiris was a Director.

During the financial year fees of \$5,926 (2013: \$163,341) were paid and accrued under normal terms and conditions to Drumgaghan Pty Ltd of which Mr. Shervington is a Director, including nil fees (2013: \$32,500) for the provision of services in his capacity as a Director and \$5,926 (2013: \$130,841) for legal services at normal commercial terms.

Accounting, bookkeeping, corporate secretarial and administration service fees of \$160,542 (2013: \$128,098) were paid or payable on ordinary commercial terms during the year to Marshall Michael Pty Ltd, a company in which Mr. Michael is a director.

23 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

24 SUBSIDIARIES

The parent entity, Cardinal Resources Limited, has 100% interest in the below subsidiaries. Cardinal Resources Limited is required to make all the financial and operating policy decisions of these subsidiaries.

Subsidiaries of Cardinal Resources Limited	Country of incorporation	Percentage owned %	
		2014	2013
Cardinal Resources (Australia) Pty Ltd	Australia	100%	100%
Cardinal Resources Ghana Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%

The parent entity acquired a 100% interest in Cardinal Resources (Australia) Limited on 28 December 2012. Cardinal Resources (Australia) Limited has a 100% interest in Cardinal Resources Ghana Limited, Cardinal Mining Services Limited, and Cardinal Resources Subranum Limited. Details of the acquisition were as follows:

	Fair Value
	\$
Purchase Consideration	
Ordinary Shares (note 13 (a))	6,600,000
Options (note 13 (b))	1,402,500
	8,002,500

Fair value of net assets acquired on date of acquisition

Cash and cash equivalent	329,978
Current trade and other receivables	6,286
Plant and equipment	249,364
Exploration project interests	7,924,499
Trade and other payables	(218,244)
Loans payable	(289,383)
	8,002,500

25 PARENT COMPANY DISCLOSURE

(a) Financial Position for the year ended 30 June 2014

Australian Dollar (\$)	30 JUNE 2014	30 JUNE 2013
	\$	\$
Assets		
Current assets	152,631	1,784,280
Non-current assets	693,000	12,040,679
Total assets	845,631	13,824,959
Liabilities		
Current liabilities	89,119	190,309
Non-current liabilities	-	3,908,930
Total liabilities	89,119	4,099,239
Net assets	756,512	9,725,720
Equity		
Issued capital	12,993,387	12,993,387
Reserves	263,816	1,666,316
Accumulated losses	(12,500,691)	(4,933,983)
Total equity	756,512	9,725,720

(b) Financial Performance for the year ended 30 June 2014

Australian Dollar \$	30 JUNE 2014	30 JUNE 2013
	\$	\$
Profit (loss) for the year	(8,969,208)	(4,717,969)
Other comprehensive income	-	-
Total comprehensive income (loss)	(8,969,208)	(4,717,969)

(c) Guarantees entered into by the Parent Entity

30 JUNE 2014	30 JUNE 2013
\$	\$
-	-
-	-
<hr/>	<hr/>

SCHEDULE "B"

UNAUDITED INTERIM FINANCIAL STATEMENTS OF THE CORPORATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2017

Australian Dollar (\$)	Note	Three Months Ended 31 March		Nine Months Ended 31 March	
		2017	2016	2017	2016
		\$	\$	\$	\$
REVENUE		19,298	22,290	73,062	32,420
EXPENDITURE					
Administration expenses		(1,834,703)	(300,177)	(2,901,235)	(844,644)
Exploration and evaluation expenditure		(4,021,350)	(1,285,518)	(10,258,773)	(4,188,840)
Foreign exchange (loss)/gain		(86,107)	(9,858)	(155,267)	(58,696)
LOSS BEFORE INCOME TAX		(5,922,862)	(1,573,263)	(13,242,213)	(5,059,760)
Income tax expense		-	-	-	-
LOSS AFTER INCOME TAX		(5,922,862)	(1,573,263)	(13,242,213)	(5,059,760)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		(41,211)	(60,141)	(59,901)	(45,519)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(5,964,073)	(1,633,404)	(13,302,114)	(5,105,279)
BASIC AND DILUTED LOSS PER SHARE	3	(2.14)	(0.69)	(4.79)	(2.30)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

Australian Dollar (\$)	Note	31 March 2017 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		12,195,074	4,864,822
Trade and other receivables		25,131	16,280
Other assets	4	691,810	104,523
TOTAL CURRENT ASSETS		12,912,015	4,985,625
NON-CURRENT ASSETS			
Plant and equipment		415,150	675,911
TOTAL NON-CURRENT ASSETS		415,150	675,911
TOTAL ASSETS		13,327,165	5,661,536
CURRENT LIABILITIES			
Trade and other payables		1,416,759	1,713,467
TOTAL CURRENT LIABILITIES		1,416,759	1,713,467
TOTAL LIABILITIES		1,416,759	1,713,467
NET ASSETS		11,910,406	3,948,069
EQUITY			
Issued capital	5	46,982,325	26,151,217
Reserves	6	1,279,042	1,043,600
Accumulated losses		(36,350,961)	(23,246,748)
TOTAL EQUITY		11,910,406	3,948,069

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2017

Australian Dollar (\$)	SHARE CAPITAL \$	OPTIONS RESERVE \$	FOREIGN EXCHANGE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance as at 1 July 2016	26,151,217	1,342,607	(299,007)	(23,246,748)	3,948,069
Comprehensive Income					
Profit for the period	-	-	-	(7,319,351)	(7,319,351)
Other comprehensive income	-	-	(18,828)	-	(18,828)
Total comprehensive income	-	-	(18,828)	(7,319,351)	(7,338,179)
Shares issued during the period	21,750,000	-	-	-	21,750,000
Exercise of options	215,250	-	-	-	215,250
Share based payments	114,299	-	-	-	114,299
Share issue expenses	(1,248,816)	-	-	-	(1,248,816)
Expiry of options	-	(138,000)	-	138,000	-
Balance at 31 December 2016	46,981,950	1,204,607	(317,835)	(30,428,099)	17,440,623
Balance at 1 January 2017	46,981,950	1,204,607	(317,835)	(30,428,099)	17,440,623
Comprehensive Income					
Loss for the period	-	-	-	(5,922,862)	(5,922,862)
Other comprehensive income	-	-	(41,211)	-	(41,211)
Total comprehensive income for the period	-	-	(41,211)	(5,922,862)	(5,964,073)
Shares issued during the period	-	-	-	-	-
Exercise of options	375	-	-	-	375
Share based payments	-	433,481	-	-	433,481
Share issue expenses	-	-	-	-	-
Expiry of options	-	-	-	-	-
Balance at 31 March 2017	46,982,325	1,638,088	(359,046)	(36,350,961)	11,910,406

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2016

Australian Dollar (\$)	SHARE CAPITAL \$	OPTIONS RESERVE \$	FOREIGN EXCHANGE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance as at 1 July 2015	14,816,842	732,423	(377,471)	(14,188,191)	983,603
Comprehensive Income					
Profit for the period	-	-	-	(3,486,497)	(3,486,497)
Other comprehensive income	-	-	14,622	-	14,622
Total comprehensive income	-	-	14,622	(3,486,497)	(3,471,875)
Shares issued during the period	6,152,722	-	-	-	6,152,722
Share issue expenses	(324,108)	-	-	-	(324,108)
Expiry of options	-	(263,816)	-	263,816	-
Balance at 31 December 2015	20,645,456	468,607	(362,849)	(17,410,872)	3,340,342
Balance at 1 January 2016	20,645,456	468,607	(362,849)	(17,410,872)	3,340,342
Comprehensive Income					
Loss for the period	-	-	-	(1,573,263)	(1,573,263)
Other comprehensive income	-	-	(60,141)	-	(60,141)
Total comprehensive income for the period	-	-	(60,141)	(1,573,263)	(1,633,404)
Shares issued during the period	5,119,997	-	-	-	5,119,997
Exercise of options	-	-	-	-	-
Share based payments	-	-	-	-	-
Share issue expenses	(333,713)	-	-	-	(333,713)
Balance at 31 March 2016	25,431,740	468,607	(422,990)	(18,984,135)	6,493,222

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2017

Australian Dollar (\$)	Three Months Ended 31 March		Nine Months Ended 31 March	
	2017	2016	2017	2016
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments for exploration and evaluation	(4,534,677)	(1,095,083)	(11,006,985)	(3,930,885)
Payments to suppliers and employees	(1,222,021)	(306,094)	(2,203,110)	(977,409)
Interest received	19,120	25,687	72,730	29,920
Other	-	-	-	2,500
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(5,737,578)	(1,375,490)	(13,137,365)	(4,875,874)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	(3,487)	(40,569)	(188,396)	(78,859)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(3,487)	(40,569)	(188,396)	(78,859)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares and options net of capital raising costs	375	4,786,285	20,831,107	10,614,895
NET CASH INFLOW FROM FINANCING ACTIVITIES	375	4,786,285	20,831,107	10,614,895
Net increase in cash and cash equivalents	(5,740,690)	3,370,226	7,505,346	5,660,162
Exchange rate adjustment	(127,180)	(69,999)	(175,094)	(236,880)
Cash and cash equivalents at the beginning of the reporting period	18,062,944	2,962,810	4,864,822	839,755
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,195,074	6,263,037	12,195,074	6,263,037

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2017

NOTE 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 34.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. The interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the period.

The interim financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies applied by the Group in this half year report are the same as those applied by the Group in its financial report for the year ended 30 June 2016, except for the impact of the new Standards and Interpretations and changes in accounting policy described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. Adoption of these standards did not materially impact on the financial figures.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NOTE 2: OPERATING SEGMENTS

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

NOTE 3: LOSS PER SHARE

THREE MONTHS ENDED		NINE MONTHS ENDED	
31 MARCH		31 MARCH	
2017	2016	2017	2016
\$	\$	\$	\$

NOTES TO THE FINANCIAL STATEMENTS

Basic and diluted loss per share	(2.14)	(0.69)	(4.79)	(2.30)
Loss used in calculation of loss per share	(5,922,862)	(1,573,263)	(13,242,213)	(5,059,760)
	Shares	Shares	Shares	Shares
Weighted average number of shares used as denominator in basic and diluted calculating loss per share	273,359,745	226,987,303	276,359,745	226,987,303

NOTE 4: OTHER ASSET

	AS AT 31 MARCH 2017	AS AT 30 JUNE 2016
	\$	\$
Prepayments	691,810	77,553
Cash deposits	-	26,970
	691,810	104,523

NOTE 5: ISSUED CAPITAL

(a) Movement in ordinary shares on issue

	NUMBER OF SHARES	\$
At 1 July 2015	110,820,807	14,816,842
Transactions during the year		
Shares issued	111,253,890	12,042,719
Exercise of options	-	-
Less: transaction costs	-	(708,344)
At 30 June 2016	222,074,697	26,151,217
At 1 July 2016	222,074,697	26,151,217
Transactions during the period		
Shares issued (4(a)(i))	75,000,000	21,750,000
Exercise of options (4(a)(ii))	1,435,000	215,250
Conversion of Class B Performance Shares (4(a)(iii))	5,000,000	-
Share based payments (4(a)(iv))	476,247	114,299
Less: transaction costs (4(a)(v))	-	(1,248,816)
At 31 December 2016	303,985,944	46,981,950

NOTES TO THE FINANCIAL STATEMENTS

	NUMBER OF SHARES	\$
At 1 January 2017	303,985,944	46,981,950
Transactions during the period		
Exercise of options (4(a)(ii))	1,875	375
At 31 March 2017	303,987,819	46,982,325

(i) **The following shares were issued during the nine months ended 31 March 2017**

- On 19 July 2016 55,518,670 shares were issued at \$0.29 per share to raise a total of \$16,100,414. The shares were issued under the Placement pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and the Company's additional 10% placement capacity under ASX Listing Rule 7.1A.
- On 26 August 2016 19,481,330 shares were issued at \$0.29 per share to raise a total of \$5,649,586. The shares were approved at the Company's shareholder meeting held on 19 August 2016.

(ii) **Listed Options exercisable at \$0.15 on or before 30 September 2019 exercised.**

(iii) **50 Class B Performance Shares converted to 5,000,000 fully paid ordinary shares when the Company satisfied the requirement that the market capitalisation of the Company reached at least \$50 million on an undiluted basis, determined by reference to the preceding 30 day VWAP.**

(iv) **Issue of Shares for services provided, approved at the Company's shareholder meeting dated 28 September 2016.**

(v) **Transaction costs represent the costs of issuing shares.**

(b) **Movement in options exercisable at \$0.15 on or before 30 September 2019**

	NUMBER OF OPTIONS	\$
At 1 July 2015	70,998,288	468,607
Transactions during the year		
Options issued	46,588,751	-
Exercise of options	-	-
Less: transaction costs	-	-
At 30 June 2016	117,587,039	468,607
At 1 July 2016	117,587,039	468,607
Transactions during the period		
Options issued	-	-
Exercise of options	(1,435,000)	-
At 31 December 2016	116,152,039	468,607

NOTES TO THE FINANCIAL STATEMENTS

	NUMBER OF OPTIONS	\$
At 1 January 2017	116,152,039	468,607
Transactions during the period		
Options issued	-	-
Exercise of options	(1,875)	-
At 31 March 2017	116,150,164	468,607

(c) Movement in unlisted options exercisable at \$0.22 on or before 18 March 2020

	NUMBER OF OPTIONS	\$
At 1 July 2015	-	-
Transactions during the year		
Options issued	9,500,000	874,000
Exercise of options	-	-
Less: transaction costs	-	-
At 30 June 2016	9,500,000	874,000
At 1 July 2016	9,500,000	874,000
Transactions during the period		
Options issued	-	-
Expiry of options	(1,500,000)	(138,000)
At 31 December 2016	8,000,000	736,000
At 1 January 2017	8,000,000	736,000
Transactions during the period		
Options issued	-	-
Expiry of options	-	-
At 31 March 2017	8,000,000	736,000

(d) Movement in unlisted milestone options exercisable at \$0.50 on or before 12 April 2022

	NUMBER OF OPTIONS	\$
At 1 July 2016	-	-
Transactions during the period		

NOTES TO THE FINANCIAL STATEMENTS

Options issued	-	-
Expiry of options	-	-
At 31 December 2016	-	-
At 1 January 2017	-	-
Transactions during the period		
Options issued (d)(i)	26,000,000	433,481
Expiry of options	-	-
At 31 March 2017	26,000,000	433,481

- (i) On 3 March 2017 the Company issued a Notice of Meeting to shareholders to issue 26,000,000 milestone options to executives of the Company.

The Milestone Options shall vest and are exercisable at any time on or from:

- (i) **Milestone 1** - the earlier of:
 - (A) the completion of a scoping study; or
 - (B) the completion of a preliminary economic assessment, of the Ghanaian Assets;
- (ii) **Milestone 2** - on the beginning of earthworks for gold production at the Ghanaian Assets; and
- (iii) **Milestone 3** - on the first pouring of gold at the Ghanaian Assets,

until the Expiry Date, being 18 April 2022.

The milestone options were approved at the Shareholder meeting held on 3 April 2017 and were issued on 12 April 2017.

On achievement of the applicable milestone condition, each milestone option will vest.

If a milestone condition, as described above, is not achieved by 18 April 2022, then the milestone options will lapse.

If a Takeover Event occurs prior to the expiry or vesting of a milestone option, the milestone option will covert.

Using the Black & Scholes option model and based on the assumptions below, the milestone options were ascribed the following value:

Milestone Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value (\$)	Expensed for the period (\$)
Milestone 1	7,800,000	27.02.17	\$0.525	\$0.50	18.04.2022	2.17%	99.50%	\$0.39	3,090,246	270,925
Milestone 1	7,800,000	27.02.17	\$0.525	\$0.50	18.04.2022	2.17%	99.50%	\$0.39	3,090,246	90,308
Milestone 1	10,400,000	27.02.17	\$0.525	\$0.50	18.04.2022	2.17%	99.50%	\$0.39	4,120,328	72,246

A probability of 100% has been applied to the milestones occurring.

(e) Movement in Performance Shares

	NUMBER OF CLASS A PERFORMANCE SHARES	\$
At 1 July 2016	50	-
Transactions during the period		
Performance shares issued	-	-
At 31 December 2016	50	-
At 1 January 2017	50	-
Transactions during the period		
Performance shares issued	-	-
At 31 March 2017	50	-

	NUMBER OF CLASS B PERFORMANCE SHARES	\$
At 1 July 2016	50	-
Transactions during the year		
Performance shares issued	-	-
At 31 December 2016	50	-
At 1 January 2017	50	-
Transactions during the period		
Performance shares issued	-	-
Conversion of performance shares	(50)	-
At 31 March 2017	-	-

	NUMBER OF CLASS C PERFORMANCE SHARES	\$
At 1 July 2016	60	-
Transactions during the period		
Performance shares issued	-	-

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2016	60	-
At 1 January 2017	60	-
Transactions during the period		
Performance shares issued	-	-
At 31 March 2017	60	-

NOTE 6: RESERVES

	THREE MONTHS ENDED 31 MARCH 2017	YEAR ENDED 30 JUNE 2016
	\$	\$
Option Reserve		
Balance at beginning of period	1,204,607	732,423
Options issued during the period	433,481	874,000
Expiry of options	-	(263,816)
	1,638,088	1,342,607

	31 MARCH 2017	30 JUNE 2016
	\$	\$
Foreign Translation Reserve		
Balance at beginning of period	(317,835)	(377,471)
Foreign translation	(41,211)	78,464
	(359,046)	(299,007)
Reserve balance at reporting date	1,279,042	1,043,600

NOTE 7: CONTINGENCIES AND COMMITMENTS

There has been no change in contingent liabilities or commitments since the last annual reporting date.

NOTE 8: RELATED PARTY TRANSACTIONS

During the nine months ended 31 March 2017, Cardinal Resources Limited advanced \$2,349,570 to Savannah Mining Limited, a Director related entity. The purpose of the advance was development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale mining licences. As at the date of this report, \$1,832,922 has been applied toward the development of the mining licence and the remainder has been recorded as a prepayment in the financial statements of Cardinal Resources Limited.

During the nine months ended 31 March 2017, Cardinal Resources Limited paid \$165,000 to Non-Executive Chairman Kevin Tomlinson, who provided geological consulting services to the Company.

NOTE 9: SUBSEQUENT EVENTS

On 12 April 2017 Cardinal issued 18,500,000 milestone options to the Directors and 7,500,000 milestone options to Senior Management of the Company (being a total of 7,800,000 Milestone 1 Options, 7,800,000 Milestone 2 Options and 10,400,000 Milestone 3 Options). For more information please see the Company's Notice of Meeting dated 1 March 2017.

On 21 April 2017, the Company announced that it had completed a placement to sophisticated investors. 45,598,266 fully paid ordinary shares were issued at \$0.50 per share.

On 25 May 2017, the Company issued 476,247 fully paid ordinary shares to Julian Barnes for services provided to the Company as detailed in the Notice of Annual General Meeting dated 28 September 2016.

Except for the above, no matter or circumstance has arisen since 31 March 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 10: ESTIMATES & ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

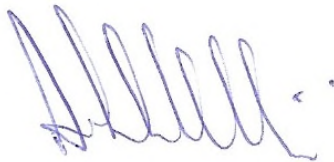
The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 3 to 15 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 March 2017 and of the performance for the 3 and 9 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a meeting of the Board of Directors.



ARCHIE KOIMTSIDIS

Managing Director

Cardinal Resources Limited

Perth, 19 June 2017



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cardinal Resources Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Cardinal Resources Limited, which comprises the consolidated statement of financial position as at 31 March 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for three and nine month periods ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cardinal Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cardinal Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Cardinal Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and of its performance for the period ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 19 June 2017



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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CARDINAL RESOURCES LIMITED

As lead auditor for the review of Cardinal Resources Limited for the three and nine months ended 31 March 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cardinal Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 19 June 2017

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

SCHEDULE "C"

CORPORATE GOVERNANCE DISCLOSURE

Set out below is a description of the Corporation's corporate governance practices.

GUIDELINES	COMMENTARY						
1. Directors							
(a) Disclose the identity of Directors who are independent.	Kevin Tomlinson, Mark Connelly and Simon Jackson are independent within the meaning of NI 52-110.						
(b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.	Archie Koimtsidis and Malik Easah are executive officers of the Corporation and are, accordingly, not independent within the meaning of NI 52-110.						
(c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the board of directors (the " Board ") does to facilitate its exercise of independent judgement in carrying out its responsibilities.	Three of the five members of the Board are independent within the meaning of NI 52-110 and, accordingly, independent directors constitute a majority of the members of the Board.						
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	<table> <tr> <th style="text-align: left;"><i>Name of Director</i></th><th style="text-align: left;"><i>Name of Other Reporting Issuer(s)</i></th></tr> <tr> <td>Mark Connelly</td><td>West African Resources, Saracen Mineral Holdings, Ausdrill, and Tiger Resources Limited</td></tr> <tr> <td>Simon Jackson</td><td>Beadell Resources Limited and Sarama Resources Ltd.</td></tr> </table>	<i>Name of Director</i>	<i>Name of Other Reporting Issuer(s)</i>	Mark Connelly	West African Resources, Saracen Mineral Holdings, Ausdrill, and Tiger Resources Limited	Simon Jackson	Beadell Resources Limited and Sarama Resources Ltd.
<i>Name of Director</i>	<i>Name of Other Reporting Issuer(s)</i>						
Mark Connelly	West African Resources, Saracen Mineral Holdings, Ausdrill, and Tiger Resources Limited						
Simon Jackson	Beadell Resources Limited and Sarama Resources Ltd.						

GUIDELINES**COMMENTARY**

(e) Disclose whether or not the independent Directors hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. If the independent Directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Directors.

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance, and no such meetings have been held.

(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent Directors.

Kevin Tomlinson is the Non-Executive Chairman of the Board and is independent within the meaning of NI 52-110.

(g) Disclose the attendance record of each Director for all board meetings held since the beginning of the issuer's most recently completed financial year.

Name	Eligible to Attend	Attended
Mark Connelly ⁽¹⁾	5	5
Kevin Tomlinson ⁽²⁾	-	-
Archie Koimtsidis	10	10
Malik Easah	10	8
Mark Thomas	6	6
Simon Jackson	6	6
Alec Pismiris ⁽²⁾	5	5

GUIDELINES

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Notes	
	<p>(1) Mr. Connelly was appointed to the Board on November 19, 2015.</p> <p>(2) Mr. Tomlinson was appointed to the Board on November 7, 2016.</p> <p>(3) Mr. Pismiris retired as a director of the Corporation on November 19, 2015.</p>
2. Board Mandate – Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The charter of the Board is attached as Schedule "D" to this prospectus.
3. Position Descriptions	
(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	<p>The charter of the Board contains a written description of the responsibilities of the Chair or, if applicable, the lead independent director.</p> <p>The charter of the Audit and Risk Committee contains a description of certain responsibilities of the chair of such committee. The responsibilities of the chair of the Remuneration and Nomination Committee are determined by the members of the Remuneration and Nomination Committee and/or the Board.</p>
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The charter of the Board contains a written description of the responsibilities of the Managing Director. In addition, the Managing Director's employment agreement contains certain specified areas of responsibility of the Managing Director.

GUIDELINES

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4. Orientation and Continuing Education

- (a) Briefly describe what measures the Board takes to orient new Directors regarding (i) the role of the Board, its committees and its Directors, and (ii) the nature and operation of the issuer's business.

The Board provides an induction program for new directors, which includes onsite visits to operations.

- (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.

In the view of the Board, individual directors have available to them opportunities for professional development via their professional associations.

5. Ethical Business Conduct

- (a) Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code:

The Board has adopted a Code of Conduct applicable to each director, executive and employee of the Corporation (the **"Code of Conduct"**).

- (i) disclose how a person or company may obtain a copy of the code;

Copies of the Code of Conduct are included in the Corporation's Corporate Governance Policies and Procedures Manual, which is available on the Corporation's website at www.cardinalresources.com.au/page/corporate-governance, and are available upon request from the Company Secretary.

- (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and

The Board monitors compliance with the Code of Conduct using the Company's corporate governance plan. In addition, the Corporation's senior management monitors compliance with the Code of Conduct.

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(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	N/A
(b) Describe any steps the Board takes to ensure Directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	<p>Where a member of the Board has an actual or potential conflict of interest or a material personal interest in a matter before the Board, the Board has adopted policies and procedures intended to ensure that:</p> <ul style="list-style-type: none"> • the interest is fully disclosed and the disclosure is recorded in the minutes of the Board; • the relevant director is excluded from all consideration of such matter by the Board; and • the relevant director does not receive any segment of Board papers or other documents in which there is a reference to such matter.
(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	<p>The Audit and Risk Committee is responsible for assisting the Board in connection with the compliance by the Corporation and its directors, executives and employees with all applicable laws, regulations and policies adopted by the Corporation, including the Risk Management Policy and the Code.</p>
6. Nominations of Directors	
(a) Describe the process by which the Board identifies new candidates for board nomination.	<p>The Board has established a remuneration and nomination committee (the "Remuneration and Nomination Committee"), whose duties include identifying and recommending candidates to fill casual vacancies and determining the appropriateness of director nominees for election to the Board.</p>
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent Directors. If the Board does not have a nominating committee composed entirely of independent Directors, describe what steps the Board takes to encourage an objective nomination process.	<p>The members of the Remuneration and Nomination Committee are Mark Connelly (Chairman) and Simon Jackson and the Remuneration and Nomination Committee accordingly is composed entirely of independent directors.</p>

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- (c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Remuneration and Nomination Committee meets at least annually and otherwise as required to discharge its responsibilities. In addition to identifying and recommending candidates and determining the appropriateness of director nominees, the Remuneration and Nomination Committee is responsible for (among other things) providing new directors with an induction to the Corporation, succession planning, the evaluation of the performance of the MD and annually reviewing and reporting to the Board on the proportion of women at all levels of the Corporation.

7. Compensation

- (a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.

The Remuneration and Nomination Committee is also responsible for assisting the Board by reviewing and making recommendations with respect to (among other things) the remuneration of directors and senior executives, employee incentive and equity-based plans and the recruitment, retention and termination policies and procedures for senior executives.

- (b) Disclose whether or not the Board has a compensation committee composed entirely of independent Directors. If the Board does not have a compensation committee composed entirely of independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

The members of the Remuneration and Nomination Committee are Mark Connelly (Chairman) and Simon Jackson and the Remuneration and Nomination Committee accordingly is composed entirely of independent directors.

- (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within its remit, and it meets at least once a year to discharge its responsibilities. The Remuneration and Nomination Committee is authorized to seek any information it requires from any employee of the Corporation and to obtain external legal or other professional advice.

The Remuneration and Nomination Committee is responsible for, among other things, setting policies for senior executives' remuneration, reviewing the salary levels for senior executives and making recommendations to the Board with respect to any proposed increases, proposing to the Board the terms and conditions of the Managing Director's employment and reviewing and reporting to the Board on an annual basis regarding the performance of the Managing Director.

GUIDELINES

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| 8. Other Board Committees – If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function. | Other than the Audit and Risk Committee and the Remuneration and Nomination Committee, the Board has not yet established any standing committees. |
| 9. Assessments – Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Directors are performing effectively. | The Board has delegated to the Remuneration and Nomination Committee the task of regularly reviewing the membership of the Board to ensure that its members have the appropriate mix of skills and experience. |
| 10. Director Term Limits and Other Mechanisms of Board Renewal –Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so. | The Corporation has not adopted term limits for directors. The composition of the Board is regularly reviewed to ensure that its members have the correct mix of skills and experience for the stage of operations of the Corporation. As discussed above, the Remuneration and Nomination Committee is responsible for assessing the constitution of the board. In addition, the Remuneration and Nomination Committee is responsible for developing a succession plan for the Managing Director and each Director in order to ensure there is an appropriate mix of skills, experience, expertise and diversity on the Board. |
| 11. Policies Regarding the Representation of Women on the Board – | |

GUIDELINES

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| <p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.</p> | <p>The Corporation has adopted a diversity policy (the “Diversity Policy”), which recognizes the benefits arising from diversity, including gender diversity, among the Corporation’s employees and at the Board level. Due to the limited number of employees of the Corporation, the Diversity Policy does not establish any fixed targets regarding the representation of diverse candidates on the Board or in senior management.</p> |
| <p>12. Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer’s reasons for not doing so.</p> | <p>The Diversity Policy recognizes that having a diverse and talented workforce is a competitive advantage and confirms that it is the Corporation’s policy to recruit and manage on the basis of qualification for a given position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.</p> <p>The Diversity Policy mandates that the Remuneration and Nomination committee will consider gender diversity during the process of identifying and selecting candidates for election or appointment to the Board and that due regard will be given to the benefits of diversity during the identification and selection of candidates.</p> |

GUIDELINES

COMMENTARY

13. **Consideration Given to the Representation of Women in Executive Officer Appointments –**

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

The Diversity Policy mandates that the Remuneration and Nomination committee will consider gender diversity during the process of identifying and selecting candidates for appointment to senior management positions and that due regard will be given to the benefits of diversity during the identification and selection of candidates.

14. **Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions –**

For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

- (a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

The Corporation has not adopted a target regarding the representation of women on the Board. The Corporation believes that candidates should be selected from the widest possible group of qualified individuals, and, accordingly, the level of representation of women may be considered but is not a major factor in identifying and appointing individuals to the Board, and adopting such a target may unduly restrict its ability to select the most appropriate candidates for Board positions.

- (b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

Due to the limited number of employees of the Corporation, the Corporation has not adopted a target regarding women in executive officer positions.

GUIDELINES	COMMENTARY
(c) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.	N/A
15. Number of Women on the Board and in Executive Officer Positions –	
(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.	None (0%) of the members of the Board are women.
(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	12.5% of the executive officers of the Corporation are women.

SCHEDULE "D"

AUDIT AND RISK COMMITTEE CHARTER

1. ROLE

The role of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

2. COMPOSITION

The Board will adhere to the following composition requirements for the Committee.

- (a) The Committee must comprise at least three members.
- (b) All members of the Committee must be non-executive Directors.
- (c) Except as permitted by NI 52-110, all members of the Committee must be independent in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues reasonably expected to be raised by the Company's financial statements.
- (f) The Chairman of the Committee shall have leadership experience and a strong finance, accounting or business background and will not be the Chair of the Board.
- (g) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and other senior executives may be invited to Committee meetings at the discretion of the Committee.

3. PURPOSE

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and public disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner;
- (f) the scope and adequacy of the external audit;

- (g) any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
- (h) the identification and management of business, economic, environmental and social sustainability risks; and
- (i) the review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound and to determine whether there have been any changes in the material business risks the Company faces and to ensure that they remain within the risk appetite set by the Board.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Directly oversee the work of the external auditor engaged to prepare or issue an auditor's report and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for receipt, retention and treatment of accounting complaints and confidential, anonymous submission by employees of the Company of complaints regarding questionable accounting or auditing matters.
- (f) Directly oversee the resolution of disagreements between management and the external auditor regarding financial reporting.
- (g) Review the impact of any proposed changes in accounting policies on the financial statements.
- (h) Review the financial statements, MD&A and annual and interim profit or loss press releases before the Company publicly discloses the information.
- (i) Ensure that, before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and Chief Financial Officer (or, if none, the person(s) fulfilling those functions) have declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- (j) Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements and periodically assess the adequacy of those procedures.

4.2 Relationship with External Auditors

- (a) Recommend to the Board (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing another audit, review or attestation services for the Company and (ii) the compensation of the external auditor.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial year and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Review the Company's public disclosure required by applicable securities laws concerning the audit committee and its members to ensure it is accurate and complete.
- (j) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (k) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with applicable securities law requirements and/or the Corporations Act.
- (l) Ensure that the external auditor attends the Company's Annual General Meeting and is available to answer questions from security holders relevant to the audit.

4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Review and monitor the appointment or removal of the head of internal audit.
- (c) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (d) Review risk management and internal compliance procedures.
- (e) Monitor the quality of the accounting function.
- (f) Review the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

4.4 Risk Management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with the Company's Risk Management Policy, internal guidelines and external requirements.
- (b) Assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate) that could adversely affect the Company's prospects currently and for future financial years.
- (c) Review the Company's Risk Management Policy at least annually to satisfy itself that it continues to be sound.
- (d) Review reports by management on the efficiency and effectiveness of the Company's Risk Management Policy and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management, insurance and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.
- (c) As contemplated by the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "*Corporate code of conduct*". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) The Committee will monitor related party transactions.
- (e) The Committee will review and approve the Company's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

5. MEETINGS

- (a) The Committee will meet at least twice in each financial year and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.

- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

8. ACCESS TO ADVICE

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may engage independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities and set and pay the compensation for any advisors employed by the Committee. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9. REVIEW OF CHARTER

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter and Risk Management Policy as required or as a result of new laws or regulations.
- (b) The Charter and Risk Management Policy shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate, will be posted to the Company's website and will be included, where required, in the Company's public disclosure documents.

10. REPORT TO THE BOARD

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.

ANNEXURE A – DEFINITION OF INDEPENDENCE

An audit committee member is independent if he or she:

- (a) has no direct or indirect material relationship with the Company, being a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement; and
- (b) is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

Material relationships

Subject to certain exemptions and further clarification set out in Canadian securities laws applicable to the Company, the following individuals are considered to have a material relationship with the Company:

- (a) an individual who (i) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (ii) is an affiliated entity of the Company or any of its subsidiary entities,
- (b) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
- (c) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
- (d) an individual who:
 - i. is a partner of a firm that is the Company's internal or external auditor,
 - ii. is an employee of that firm, or
 - iii. was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (e) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - i. is a partner of a firm that is the Company's internal or external auditor,
 - ii. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - iii. was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
- (f) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at that same time on the entity's compensation committee; and
- (g) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12 month period within the last three years.

Examples of interests, positions, associations or relationships affecting independence

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services or a material consultant to the Company or any of its child entities;

- (c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or its child entities other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

SCHEDULE "E"

CHARTER OF BOARD OF DIRECTORS

BOARD CHARTER

1. ROLE

The Board's primary duty is to supervise the management of the business and affairs of the Company. The Board, directly and through its committees and the Chair of the Board, shall provide direction to senior management, primarily through the Managing Director, to pursue the best interests of the Company.

2. COMPOSITION

It is a priority of the Board to achieve majority independent representation on the Board. The Board takes into account the skills and experience required in the context of the Company's operations and activities from time to time in the director identification and selection process. In determining whether or not directors are independent, the Board applies the criteria set out in National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators and the ASX Recommendations. The Board considers that a director is an executive if that director is involved in the day to day management of the Company.

Where it would be inappropriate for the Chair of the Board to be an independent director, the Company will appoint a lead independent director. Either the independent Chair or the Lead Independent Director will act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management of the Company are not in attendance.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to promptly advise the chair of the Nomination Committee.

3. RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

To fulfill its role the Board is responsible for:

- overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;
- overseeing the activities of the Company, including verifying that internal, financial, non-financial and business control and management information systems have been established by management;
- identifying the principal risks associated with the Company's business and operations and ensuring the implementation of appropriate systems to manage these risks;
- appointing and removing the Managing Director, Chief Financial Officer, Company Secretary, and other senior executives, evaluating their performance, reviewing their remuneration and ensuring

an appropriate succession plan is in place, including the appointment, training and monitoring of such persons, with consideration to the objectives of the Diversity Policy of the Company;

- satisfying itself, to the extent feasible, as to the integrity of the Managing Director, Chief Financial Officer, Company Secretary and other senior executives of the Company and that the Managing Director, Chief Financial Officer, Company Secretary and other senior executives strive to create a culture of integrity throughout the Company;
- reviewing, on a periodic basis, a report of the Remuneration and Nomination Committee concerning the Company's approach to executive compensation;
- setting the strategic objectives of the Company, taking into account emerging trends, the competitive environment, the opportunities and risks of the business and business practices in the industry, and periodically reviewing the Company's progress against those objectives;
- reviewing, ratifying and monitoring systems of risk management and internal control;
- setting the operational and financial objectives and goals for the Company as well as reviewing and, if advisable, approving any policies and processes generated by management relating to the authorization of major investments and significant allocation of capital;
- developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines;
- approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market;
- monitoring compliance with the Company's Shareholder Communication Policy and Continuous Disclosure Policy;
- appointment of professional advisors; and
- formal determinations that are required by the Company's constitutional documents or by law or other external regulation.

These responsibilities are designed to provide strategic guidance for the Company and effective oversight management.

The Board has established the following committees: the Audit and Risk Committee and the Remuneration and Nomination Committee. Subject to applicable law, the Board may establish other Board committees or merge or dissolve any Board committee at any time. The Board has approved charters for each established Board committee and shall approve charters for any Board committee established in the future. The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's charter. The Board shall appoint, annually or as required, the members and a chair of each committee, after receiving recommendations from the Nomination Committee.

Other than with respect to the matters set out herein and in the various Board committee charters, the Board has delegated all remaining authority to the Managing Director for management of the Company's business within any limits imposed by the Board and subject to the Directors' statutory and fiduciary duties.

4. RESPONSIBILITIES OF DIRECTORS

Each director is encouraged to use his or her best efforts to attend all meetings of the Board and the committees of the Board of which such director is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in such meetings. Directors may serve on the boards of other issuers so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in writing in advance of accepting an invitation to serve on the board of another public issuer.

5. POSITION DESCRIPTIONS

The Board has approved position descriptions for the Chair of the Board and the Managing Director of the Company. The Board shall review such position descriptions from time to time, as required.

The Chair/Lead Independent Director

The Chair (or Lead Independent Director) is responsible for overseeing the operations and affairs of the Board of the Company. In fulfilling his or her duties, the Chair (or Lead Independent Director) will be responsible for:

- providing leadership to foster the effectiveness of the Board;
- ensuring there is an effective relationship between the Board and senior management, including by acting as a liaison between the Board and senior management;
- acting as an advisor to senior management in matters concerning the interests of the Company;
- ensuring that the appropriate committee structure is in place and assisting the Nomination Committee in making recommendations for appointment to such committees;
- in consultation with the other members of the Board and the Managing Director, preparing the agenda for each meeting of the Board;
- ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- chairing Board meetings and sessions of independent directors, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that decisions are reached and accurately recorded;
- chairing all shareholder general meetings;
- together with the Nomination Committee, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors with a view to ensuring that they are fulfilling their respective responsibilities and duties, and making recommendations to the Nomination Committee for changes when appropriate;
- consulting with the Nomination Committee on candidates for nomination or appointment to the Board;
- monitoring shareholder communication and continuous disclosure generally and for compliance with the Shareholder Communication Policy and the Continuous Disclosure Policy;

- working with the Managing Director to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the Managing Director any issues that are preventing the Board from being able to carry out its responsibilities; and
- providing additional services required by the Board.

The Chair is also responsible for monitoring shareholder communication, continuous disclosure compliance and Board performance.

The Managing Director

The Managing Director is primarily responsible for the overall management of the business and affairs of the Company. In this capacity, the Managing Director shall establish the strategic and operational priorities of the Company and provide leadership for the effective overall management of the Company.

In fulfilling his or her duties, the Managing Director will be responsible for:

- implementing the policies and strategy set by the Board;
- developing annual business plans and budgets for the Board's approval that support the Company's long-term strategy;
- consistently striving to achieve the Company's short and long-term financial and operating goals and objectives;
- providing leadership and vision, and maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Company's strategy;
- fostering a corporate culture that promotes integrity and ethical values throughout the organization, including setting the tone by meeting the highest ethical standards;
- developing and motivating the executive officers of the Company and providing overall management to ensure the effectiveness of the leadership team;
- serving as the Company's chief spokesperson and ambassador;
- ensuring compliance by the Company with all applicable laws, rules and regulations, as well as the Company's Codes of Conduct and any other policies adopted by the Board from time to time; and
- ensuring that the Board remains fully informed through direct communication with the Chair (or Lead Independent Director) for all significant matters, and dealing with the Board in a manner that ensures that the Board is able to provide the best counsel and advice possible.

In carrying out those responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

6. PROCESS FOR EVALUATING BOARD PERFORMANCE

The Board, the Board's committees and each individual director will undergo periodic formal assessments regarding his, her or its effectiveness and contribution. An independent third party consultant may be engaged to facilitate such assessments.

The assessments require each director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members taking into consideration the Board or Board committee's mandate or charter, position descriptions and the competencies and skills each individual director is expected to bring to the Board, as applicable. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided directly to the consultant, with the results in aggregate then being communicated to the Chair of the Board. The Board as a whole then holds a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole.

The Chair of the Board may also meet individually with each Board member to discuss their performance.

7. ACCESS TO EMPLOYEES AND INDEPENDENT ADVICE

The Board shall have unrestricted access to employees of the Company, and its subsidiaries.

The Board shall have the authority, so long as it is acting reasonably in the interests of the Company and in the discharge of its duties, to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.