

25 June 2018

ASX Compliance Pty Ltd
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

Attention: Elizabeth Harris, Principal Adviser, Listings Compliance (Perth)

Cardinal Resources Limited (“Company” or “CDV”): Aware Query

The Company refers to your aware letter dated 21 June 2018 and provide the following responses:

1. When did CDV first become aware that the planned PFS due in the second quarter of 2018 would be deferred until the third quarter of 2018 (the “Relevant Information”)?

The preparation of the PFS involves a series of processes and activities undertaken as part of the Company’s evaluation of the Namdini Project. These processes and activities are continuing and not completed.

The expected date of completion of these processes and activities is fluid and inherently uncertain. The nature of a PFS is that the results of one process may be critical to and affect other processes.

The Company considered on and around 15 May 2018 that for the reasons set out below, the likely completion date for the PFS processes and activities may be delayed until the third quarter of 2018.

The reasons for the delay included the following (as announced on 8 June 2018):

- The Company is evaluating a larger process throughput option due to an increase in the indicated resource categorization from 4.3Moz to 6.5Moz (refer to ASX/TSX announcement dated 5 March 2018 and entitled “Cardinal Upgrades Indicated Minerals Resource to 6.5Moz”).
- CDV will evaluate the economic results of the new options against the Company’s Preliminary Economic Assessment (“PEA”) (refer to ASX/TSX announcement dated 5 February 2018 and entitled “Namdini Gold Project Preliminary Economic Assessment”), and should the economic results be favourable the Company will release an updated PEA reflecting the new options.
- On review should the Company’s evaluation of a larger throughput option show marginal economic results to Cardinal’s PEA, released in February 2018, Cardinal will continue with the planned PFS, as indicated in the Company’s Investor Presentation.

2. Does CDV consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No, the Company did not consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

3. If the answer to question 2 is “no”, please advise the basis for that view.

For the following reasons the Company views that the delay in the PFS is not material:

- The announcement of the timetable for the PFS was a preliminary deadline (please see ASX announcement dated 5 February 2018 and entitled “Namdini Gold Project Preliminary Economic Assessment”, which clearly states that the timetable is preliminary);
- The production of a PFS is an involved multi-faceted process which brings together a number of different

disciplines – geological, metallurgical, financial, engineering etc, and it is generally accepted that these processes are not ones where fixed dates can be given;

- The Company announced an update to its resource in March 2018. The Company's view is that the market expects that the increased resource has logically resulted in the Company evaluating the economic results of the new options against the Company's PEA; and
- There are examples of ASX Listed companies delaying the release of PEA/PFS/Resource statements from indicative timeframes.

Given the above, the potential delay in the Company's PFS against a preliminary timeframe would not be considered materially price sensitive.

4. **If the answer to question 2 is "yes" and CDV first became aware of the Relevant Information before the Relevant Date, did CDV make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe CDV was obliged to release the Relevant Information under ASX Listing Rules 3.1 and 3.1A and what steps CDV took to ensure that the Relevant Information was released promptly and without delay.**

Not Applicable.

5. **Please confirm that CDV is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. **Please confirm that CDV's responses to the questions above have been authorized and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CDV with delegated authority from the Board to respond to ASX on disclosure matters.**

The Company confirms that the responses have been authorized and approved in accordance with the Company's continuous disclosure policy.

Yours faithfully

Sarah Shipway
Company Secretary
Cardinal Resources Limited



21 June 2018

Ms Sarah Shipway
Cardinal Resources Limited
Suite 1, 28 Ord Street
WEST PERTH WA 6005

By email: sarah@cardinalresources.com.au

Dear Ms Shipway

Cardinal Resources Limited (“CDV”): Aware Query

ASX Limited (“ASX”) refers to the following:

A. The column posted by Proactive Investors UK released on 22 May 2018 which stated as follows:-

“Cardinal Resources’ presentation at the 121 Conference in London last week included a change to its timeline. Instead of planning to complete a pre-feasibility study on its Namdini Project in northern Ghana by the end of June 2018, the company now plans to produce an updated PEA [Preliminary Economic Assessment] by that time. The definitive feasibility study is not on the timeline, but management confirmed that this remains on track for 1Q19.

B. The announcement titled “Updated Investor Presentation” released by CDV on the ASX Market Announcements Platform on 8 June 2018 at 9:08 am (AEST) (“Relevant Date”) in which CDV disclosed that the planned PFS due in the second quarter of 2018 would be deferred until the third quarter of 2018 (“Relevant Information”).

C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

D. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

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- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks CDV to respond separately to each of the following questions and requests for information:

1. When did CDV first become aware of the Relevant Information?
2. Does CDV consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If the answer to question 2 is “yes” and CDV first became aware of the Relevant Information before the Relevant Date, did CDV make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe CDV was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps CDV took to ensure that the Relevant Information was released promptly and without delay.
5. Please confirm that CDV is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that CDV’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CDV with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 7.30 a.m. WST) on Tuesday 26 June 2018.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CDV’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CDV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CDV's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require CDV to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in CDV's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elizabeth Harris
Principal Adviser, Listings Compliance (Perth)