
CARDINAL RESOURCES LIMITED

ACN 147 325 620

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: 31 October 2018

PLACE: Parmelia Hilton
14 Mill Street
Perth WA 6000

This Notice of Meeting, together with the accompanying Explanatory Statement and Management Information Circular should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6558 0573

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting of Shareholders will be held at 10:00am (WST) on 31 October 2018 at:

Parmelia Hilton
14 Mill Street
Perth WA 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 29 October 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report thereon.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the annual financial report of the Company for the financial year ended 30 June 2018.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MALIK EASAH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Malik Easah, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ROBERT SCHAFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Robert Schafer, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,461,600 Shares issued under ASX Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,250,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by any person who is expected to participate in the issue of Equity Securities under this Resolution and a person who might obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast

by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Particulars of the foregoing matters are set forth in the accompanying Explanatory Statement and Management Information Circular.

Dated: 25 September 2018
By order of the Board

SARAH SHIPWAY
Company Secretary

EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR

This Explanatory Statement and Management Information Circular dated as of 26 September 2018 is furnished in connection with the solicitation of proxies by Cardinal Resources Limited for use at the annual general meeting of the holders of ordinary shares of the Company to be held on 31 October 2018 at 10:00am (WST), and any adjournment thereof, at the place and for the purposes set forth in the accompanying Notice.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report thereon.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cardinalresources.com.au and under the Company's profile on SEDAR at www.sedar.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and

at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

| Proxy | Directions given | No directions given |
|---------------------------------------|------------------|--|
| Key Management Personnel ¹ | Vote as directed | Unable to vote ³ |
| Chair ² | Vote as directed | Able to vote at discretion of Proxy ⁴ |
| Other | Vote as directed | Able to vote at discretion of Proxy |

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTIONS 2 - 3 – RE-ELECTION OF DIRECTORS – MALIK EASAH AND ROBERT SCHAFER

3.1 General

The Constitution sets out requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 11.3 of the Constitution provides that at each annual general meeting in every year one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office.

Clause 11.5 of the Constitution provides that the Directors to retire at any Annual General Meeting must be those who have served longest on office since their last election.

3.2 Re-Election of Malik Easah

In accordance with clause 11.3 and 11.5 of the Constitution, Malik Easah, who has served as a director since 27 December 2012 and was last re-elected on 7 November 2016, retires by rotation and seeks re-election.

(a) Qualifications and other material directorships

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 is a resident in Ghana. During the past three years he has held no other listed company directorships.

(b) Independence

If re-elected, the Board does not consider Mr Easah will be an independent director.

3.3 Re-Election of Robert Schafer

In accordance with clause 11.3 of the Constitution, Robert Schafer, who has served as a director since 11 July 2017, retires by rotation and seeks re-election.

(a) Qualifications and other material directorships

Robert Schafer has over 30 years of international experience as a geologist exploring for mineral deposits in more than 70 countries. As an executive, manager and field geologist with companies including Billiton, BHP, Kinross and Hunter Dickinson, Mr Schafer led teams to the discovery of several deposits in the western USA (Briggs and Griffon gold mines), as well as developing strategies that

led to brownfields discoveries in western Canada, southern Africa and far east Russia (Birkachan gold mine).

Mr Schafer is the immediate Past President of the Prospectors and Developers Association of Canada (PDAC) as well as Past President of both the Canadian Institute for Mining, Metallurgy and Petroleum (CIM) and the Mining and Metallurgical Society of America (MMSA). He is a Certified Corporate Director (ICD.D), a RPGeo and is also an active member of the Society for Mining, Metallurgy and Exploration (SME) in the USA, where he served on its Board for more than a decade.

Mr Schafer serves as a member of the Board of Directors for both the Canadian Mining Hall of Fame and National Mining Hall of Fame in the USA. He is the recipient of the William Lawrence Saunders Gold Medal from the American Institute of Mining, Metallurgical and Petroleum Engineers (AIME) and the Daniel C. Jackling Award from SME for career achievements, two of the highest mining recognitions in the USA.

(b) **Independence**

Robert Schafer has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If re-elected, the board does consider Robert Schafer will be an independent director.

3.4 **Board recommendation**

The Board supports the re-election of Malik Easah and Robert Schafer and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES**

4.1 **General**

On 22 November 2017 the Company issued 18,461,600 Shares at an issue price of C\$0.65 per Share to raise C\$12,000,040. As announced on 22 November 2017, the Shares were issued to a syndicate of underwriters led by Clarus Securities Inc. following the closing of the Company's previously announced public offering of Shares on a 'bought deal' basis.

18,461,600 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 22 November 2017.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which

the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 4, the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 4 being passed by the requisite majority.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 18,461,600 Shares were issued;
- (b) the issue price was C\$0.65 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to subscribers arranged by a syndicate of underwriters led by Clarus Securities Inc. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for funding towards diamond drilling, metallurgical test work, environmental and social studies, mineral resource update and pre-feasibility and engineering studies at the Company's Namdini Gold Project in Ghana, West Africa, exploration of the Company's other Ghanaian properties, to provide capital for any potential payments in relation to acquisition tenements located adjacent to the Namdini Gold Project, and general administration and working capital.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

5.1 General

On 28 August 2018 the Company issued 4,250,000 Shares to Sprott Private Resources Lending (Collector) L.P. (**Sprott**).

The Shares were issued to Sprott following finalisation of the legal and formal documentation pursuant to which Sprott will provide a US\$25 million (A\$32 million) senior secured credit facility to the Company (refer to ASX announcements dated 31 July 2018 and 22 August 2018). The 4,250,000 Shares were issued as part of the bonus issue payable to Sprott in relation to the credit facility.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 4,250,000 Shares were issued;
- (b) the Shares were issued for nil consideration as part of the bonus interest payable to Sprott in relation to the credit facility;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Sprott, which is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as part of the bonus interest payable to Sprott in relation to the credit facility.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$177,812,082 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 24 September 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: CDV) and options (ASX Code: CDVOA).

If Shareholders approve Resolution 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 25 September 2018.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution | | | |
|--|-------------------------------------|--------------------------------------|----------------------|--------------------------------------|
| | Issue Price (per Share) | 0.235 50% decrease in Issue Price | 0.470 Issue Price | 0.705 50% increase in Issue Price |
| 378,323,580 (Current Variable A) | Shares issued - 10% voting dilution | 37,832,358 Shares | 37,832,358 Shares | 37,832,358 Shares |
| | Funds raised | \$8,890,604 | \$17,781,208 | \$26,671,812 |
| 567,485,370 (50% increase in Variable A) | Shares issued - 10% voting dilution | 56,748,537 Shares | 56,748,537 Shares | 56,748,537 Shares |
| | Funds raised | \$13,335,906 | \$26,671,812 | \$40,007,718 |
| 756,647,160 (100% increase in Variable A) | Shares issued - 10% voting dilution | 75,664,716 Shares | 75,664,716 Shares | 75,664,716 Shares |
| | Funds raised | \$17,781,208 | \$35,562,416 | \$53,343,624 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 378,323,580 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 24 September 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for:
 - (A) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
 - (B) continued exploration expenditure on the Company's current and/or new assets; and
 - (C) general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2017 (**Previous Approval**).

The Company has issued 18,461,600 Shares pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 31 October 2017, the Company also issued a further 8,332,421 Shares and 10,794,200 unlisted options which represents approximately 3.59% of the total diluted number of Equity Securities on issue in the Company on 31 October 2017, which was 533,237,686.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (i) the information required by Listing Rule 3.10.5A for release to the market.

6.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

MANAGEMENT INFORMATION CIRCULAR

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with the Explanatory Statement.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management of Cardinal Resources Limited (the "Company") for use at the annual general meeting of the shareholders of the Company (the "Meeting") to be held at Parmelia Hilton, 14 Mill Street, Perth, WA at 10:00am (WST) on 31 October 2018, and at all adjournments thereof for the purposes set forth in the accompanying notice of annual general meeting (the "Notice"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice. The Company may pay brokers or other persons holding ordinary shares of the Company ("Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and proxy materials to beneficial owners of Shares and obtaining proxies therefrom. The cost of the solicitation will be borne directly by the Company.

No person is authorized to give any information or to make any representation other than those contained in this Explanatory Statement and Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Explanatory Statement and Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Non-Registered Shareholders in Canada

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a "Non-Registered Shareholder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Shareholder deals in respect of the Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc., in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice, this Explanatory Statement and Management Information Circular and the accompanying form of proxy (collectively, the "Meeting Materials")

to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the form of proxy. In this case, the Non-Registered Shareholder who wishes to submit a form of proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Limited, 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should carefully follow the instructions provided on the voting instruction form or form of proxy. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the form of proxy is to be delivered.**

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

Appointment of Proxies

Enclosed herewith is a form of proxy for use at the Meeting. **A registered shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for the shareholder and on the shareholder's behalf at the Meeting, and at any adjournment thereof, other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.** If a shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint a second proxy to attend and

vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. A shareholder who appoints two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointments do not specify the proportion or number of the shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A form of proxy will not be valid unless it is signed by the shareholder or by the shareholder's attorney duly authorized in writing or, if the shareholder is a Company, executed by a duly authorized officer in accordance with the instructions attached on the enclosed form of proxy. The form of proxy to be acted upon must be delivered:

1. in respect of a shareholder registered on the Company's Australian register, prior to 4:00pm (WST) on 29 October 2018 by:
 - (a) post to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne VIC 3001; or
 - (b) facsimile to Computershare Investor Services Pty Limited on facsimile number +1 800 783 447 (within Australia) and + 61 3 9473 2555 (outside Australia); or
 - (c) email to the Company at sarah@cardinalresources.com.au.
2. in respect of a shareholder registered on the Company's Canadian register, prior to 10:00pm (EST) on 28 October 2018, by mail to Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by facsimile at +1 866 249 7775.

Revocation of Proxies

A shareholder executing and delivering a form of proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy accompanying this Explanatory Statement and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly come before the Meeting. At the time of printing this Explanatory Statement and Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. **If no voting instructions are indicated on the form of proxy, the proxy may vote as they choose subject to relevant laws.**

The Shares represented by the form of proxy will be voted in accordance with the instructions of the Shareholder on any ballot that may be conducted at the Meeting, or at any adjournment thereof, and if the Shareholder specifies a choice with respect to any matter acted upon, the Shares will be voted accordingly.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Company is authorized to issue an unlimited number of Shares. Each Share entitles the holder of record thereof to one vote per Share at all meetings of the shareholders of the Company subject to certain exclusion of votes described in the Notice and Explanatory Statement. As at the close of business on 25 September 2018, there were 378,323,580 Shares outstanding.

Record Date

The Board has fixed October 1, 2018 as the record date for the determination of the shareholders of the Company entitled to receive the Notice and October 29, 2018 as the record date for the determination of the shareholders of the Company entitled to vote at the Meeting.

Ownership of Securities of the Company

As at 25 September 2018, to the knowledge of the directors and executive officers of the Company, no person or Company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company except as stated below:

| Name | Number of Shares Beneficially Owned, Controlled or Directed | Percentage of Outstanding Shares Beneficially Owned, Controlled or Directed |
|---------------------------------------|---|---|
| Corporate International Holdings B.V. | 42,818,182 ⁽¹⁾ | 11.45% |

Note:

(1) Reflects Shares held by Corporate International Holdings B.V., an indirect wholly-owned investment subsidiary of Gold Fields Limited, according to a report dated November 27, 2017 filed under Part 3 of National Instrument 62-103 – *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* filed on SEDAR at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

For a detailed description of the matters to be acted upon, namely (a) presentation of the financial statements; (b) adoption of the Remuneration Report (as defined below); (c) election of directors; (d) ratification of the prior issuance of shares; and (e) approval of 10% placement capacity, please refer to the Explanatory Statement included with this Management Information Circular and to "Election of Directors" herein.

BDO (WA) Pty Ltd. was first appointed as the auditor of the Company on February 28, 2017.

Election of Directors

For more information concerning the election of directors, please refer to the attached Explanatory Statement.

The board of directors of the Company (the "Board") currently consists of six (6) directors. The following table provides the name, municipality of residence, positions held with the Company, number of securities beneficially owned or controlled or directed and principal occupation during the preceding five years of each of the directors and proposed directors of the Company.

| Name, Province or State, and Country of Residence | Positions and Offices Held and Date of Appointment | Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾ | Principal Occupation(s) During Past Five Years |
|---|---|--|--|
| Kevin Tomlinson London, United Kingdom | Director, Non- Executive Chairman November 7, 2016 | Shares: 0 Listed Options: 400,000 Unlisted Options: 5,000,000 Class C Performance Shares: 0 | Non-executive Chairman of the Company since November 2016; Director, Samco Gold Limited since January 2012; former Director, Centamin plc (2012 to 2016); Director, Orbis Gold Ltd (2015 to 2017); Director, Besra Gold Inc. (2012 to 2015); former Chairman, Maudore Minerals Ltd. (2012 to 2014) |
| Arthur (Archie) Koimtsidis Western Australia, Australia | Managing Director December 27, 2012 | Shares: 8,017,565 Listed Options: 4,191,731 Unlisted Options: 7,500,000 Class C Performance Shares: 0 | Co-founder and Managing Director of the Company since December 2012 |

| Name, Province or State, and Country of Residence | Positions and Offices Held and Date of Appointment | Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾ | Principal Occupation(s) During Past Five Years |
|---|---|--|---|
| Malik Easah Accra, Ghana | Executive Director December 27, 2012 | Shares: 7,681,815 Listed Options: 6,560,423 Unlisted Options: 6,000,000 Class C Performance Shares: 60 ⁽²⁾ | Co-founder and Executive Director of the Company since December 2012 |
| Robert Schafer ^{(3) (4)} Utah, USA | Non-Executive Director July 10, 2017 | Shares: 10,000 Listed Options: 0 Unlisted Options: 2,897,000 Class C Performance Shares: 0 | Current Director, Volcanic Gold Mines Inc. since March 2017 and Trigon Metals Inc. since April 2017; former director Martina Minerals Corp. (2005 to 2015); Curtis Resources Ltd. (2011 to 2014), Rathdowney Resources Ltd. (2011 to 2015), Galway Metals Inc. (2012 to 2014), Minera IRL Limited (2016) and Orex Exploration Inc. (2016 to 2017). |
| Jacques McMullen ⁽³⁾⁽⁴⁾ Ontario, Canada | Non-Executive Director October 11, 2017 | Shares: 0 Listed Options: 0 Unlisted Options: 2,018,100 Class C Performance Shares: 0 | Director, Equinox Gold since December 2017, Excellon Resources since November 2017, NewCastle Gold Ltd. March 2017 to December 2017; Advisor, Detour Gold Corp. since 2016; Director and Principal, Mines & Metals, BBA (2012 to 2015); Chairman, Orvana Minerals Corp. (2014 to 2016); Director, Fire River Gold Corp. (2012 to 2013); Executive, Barrick Gold Corporation (1994 to 2011). |

| Name, Province or State, and Country of Residence | Positions and Offices Held and Date of Appointment | Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾ | Principal Occupation(s) During Past Five Years |
|---|---|--|---|
| Michele Muscillo ⁽³⁾⁽⁴⁾ Queensland, Australia | Non-Executive Director October 11, 2017 | Shares: 0 Listed Options: 0 Unlisted Options: 2,018,100 Class C Performance Shares: 0 | Partner, Hopgood Ganim Lawyers since 2008; Executive Director with Aeris Resources Limited (ASX: AIS), Xanadu Mines Limited (ASX: XAM) and Mako Gold Limited (ASX: MKG). Formerly, Michele was also Non-Executive Director of Orbis Gold Limited which is currently owned by TSX-Listed SEMAFO Inc. (TSX: SMF). |

Notes:

- (1) The information as to the number of securities beneficially owned or controlled or directed has been furnished by the respective director.
- (2) Mr. Easah is the sole shareholder of Savannah Mining Ghana Limited, which holds the 60 outstanding Class C Performance Shares.
- (3) Member of the Audit and Risk Committee.
- (4) Member of the Remuneration and Nomination Committee.

The term of office of each of the directors (other than the Company's Managing Director) expires at the end of the third annual general meeting of Shareholders of the Company 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 the Company's Managing Director expires at the discretion of the Company's directors, in accordance with his employment contract. Notwithstanding the requirements of the TSX Company Manual that TSX-listed issuers adopt a "Majority Voting Policy" requiring all directors to be subject to re-election on an individual basis at each annual meeting of shareholders, TSX-listed issuers that qualify as "Eligible Interlisted International Issuers" within the meaning of the TSX Company Manual may be exempted from this requirement. Though the Company does not qualify at this time as an "Interlisted International Issuer" within the meaning of the TSX Company Manual, the Company has applied for, and obtained for this year only, pursuant to Section 401.1 of the TSX Company Manual, a discretionary waiver with respect to the from the director election requirements set forth in Sections 461.1 to 461.4 of the TSX Company Manual at the Meeting and intends to rely on such waiver with respect to compliance with Sections 461.1 and 461.4 of the TSX Manual.

Other than as set out below, none of the nominees for election as a director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was

in effect for a period of more than 30 consecutive days, that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, none of the nominees for election as a director of the Company:

- a) is, as at of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of such 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 or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such person; or
- c) 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 securityholder in deciding whether to vote for a proposed director.

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 of Creditors") 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 of Creditors, 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 Ontario Securities Commission ("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.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management of the Company knows of no matters to come before the Meeting other than as set forth in the Notice. However, if other matters, which are not known to management, should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. When used in this section, the term "NEO" or "Named Executive Officer" means each of the following individuals: (i) an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year; (ii) an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year. For the financial year ended June 30, 2018, the NEOs of the Company were the following:

- Archie Koimtsidis, Managing Director;

- Malik Easah, Executive Director;
- Derrick Weyrauch, Chief Financial Officer;
- Bruce Lilford, Project Manager;
- Paul Abbott, Exploration Manager;
- Richard Bray, Senior Geologist - Australia;
- Ekow Taylor, Senior Geologist – Ghana; and
- Sarah Shipway – Company Secretary.

Compensation Philosophy and Objectives

The Company's executive compensation program is designed to attract and retain qualified and experienced executives who will contribute to the success of the Company. The executive compensation program attempts to ensure that the compensation of 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 previously obtained independent advice when it was considered necessary to confirm that the Company's executive compensation is in line with market practice and reasonable within Australian executive reward practices.

Compensation Process and Remuneration and Nomination Committee

The Company 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 and directors (including the NEOs); (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 Remuneration and Nomination Committee reviews and determines the Company's remuneration policy and structure annually to ensure that it remains aligned to business needs and meets the Company's remuneration principles. External remuneration consultants may also be engaged to assist with this review, if required. In particular, the Remuneration and Nomination Committee aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;

- transparent and easily understood; and
- acceptable to shareholders.

For the financial year ended June 30, 2018, the Remuneration and Nomination Committee consisted of three independent directors, being Robert Schafer, Jacques McMullen and Michele Muscillo. The Remuneration and Nomination Committee is required to meet at least once a year and adheres to the Remuneration and Nomination Committee charter, a copy of which is available on the Company's website at www.cardinalresources.com.au

Remuneration arrangements for directors and officers are reviewed by the Remuneration and Nomination Committee and recommended to the Board for approval.

ASX Listing Rules require that shareholders approve the maximum aggregate amount of remuneration to be allocated among the non-executive directors at a general meeting. In proposing the maximum amount for consideration by shareholders and in determining the allocation, the Remuneration and Nomination Committee takes into account the time demands made on directors and other factors such as fees paid to non-executive directors in comparable companies. Independent advisors may be engaged, where appropriate, to establish market benchmarks.

Reliance on External Remuneration Consultants

A compensation consultant has not, at any time since the Company's most recently completed financial year, been retained to assist the Board or the , the Remuneration and Nomination Committee in determining compensation for any of the company's directors or executive officers.

Hedging

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, 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

| Compensation Element | Link To Compensation and Corporate Objectives | Performance Metric | Potential Value | Change for FY 2018 |
|----------------------------|--|-----------------------------|---|---------------------------------------|
| Fixed Remuneration | Attract and retain to ensure access to skilled employees | N/A | Positioned at median market rate | Reviewed in line with market position |
| Short-Term Incentives | Motivate in-year performances | N/A | N/A | N/A |
| Long-Term Incentives (LTI) | Motivate to align with long-term shareholder value | Five-year milestone hurdles | NEOs received 2,879,000 unlisted options exercisable at \$0.825 on meeting of milestones. | Introduce milestone LTI |

(i) Fixed Remuneration

The Company 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.

(ii) Long-Term Incentives

In addition to each NEO's base salary, the Company provides a form of equity compensation as LTI. 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 Shares or Unlisted Options. Any equity component of compensation may be subject to such vesting conditions as the Board determines.

Statutory Performance Indicators

The Company aims to align executive compensation with the Company's strategic and business objectives and the creation of shareholder wealth. The below table, titled "Statutory Key Performance Indicators of the Company over the Last Five Years", details measures of the group's financial performance over the last five years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to NEOs. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded.

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

Statutory Key Performance Indicators of the Company over the Last Five Years

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|-----------|-----------|------------|
| Total Comprehensive Loss Attributable to Member of the Company (AU\$) | 37,690,470 | 21,724,298 | 9,243,909 | 3,580,551 | 10,164,082 |
| Basic Loss Per Share (AU\$) | 10.22 | 7.12 | 5.55 | 3.82 | 13.58 |
| Increase/Decrease in Share Price (%) | -1.23 | +1.76 | +6.00 | +2.5 | -2.5 |

Non-Executive Director Remuneration Policy

The Non-Executive Director Remuneration Policy seeks to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The executive directors, in consultation with independent advisors, determine payments to non-executive directors and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$573,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Company. To align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company.

Except as detailed in this Explanatory Statement and Management Information Circular, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Company's regulations, or the fixed salary of a full time employee of the Company.

During the financial year ended June 30, 2018, the Company granted 6,915,200 stock options to non-executive directors.

In addition, non-executive directors of the Company are entitled to receive compensation to the extent that they provide services (other than in their capacity as a director) to the Company at rates that would be charged by such directors for such services to arm's length parties. Kevin Tomlinson provided geological consulting services to the Company, \$337,218 (2017: \$280,000) was paid or payable for the twelve months ended June 30, 2018. Robert Schafer has been paid for services above his non-executive director compensation, during the year ended June 30, 2018 of \$12,911 (2017:\$0) was paid. HopgoodGanim of which Michele Muscillo is a partner of provided legal services to the Company for the year ended June 30, 2018 of \$3,506 (2017:\$0).

Performance Graph

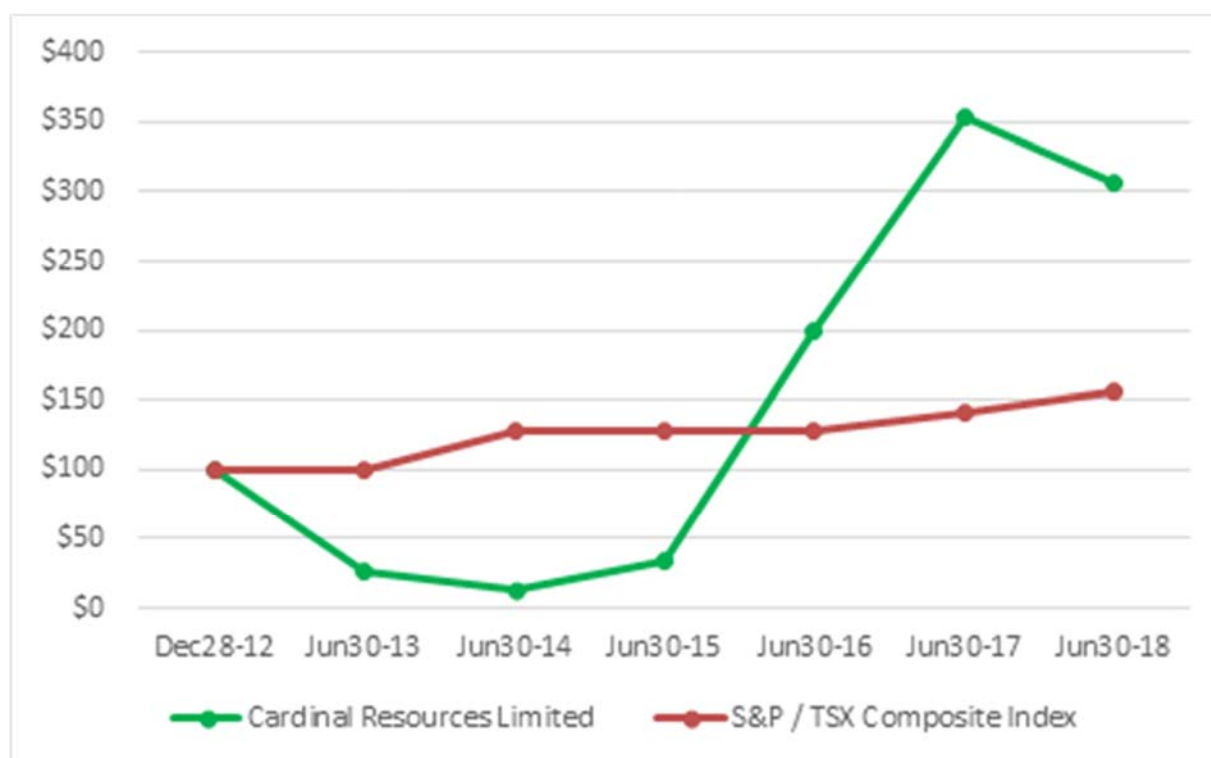
The following table and graph compares, from December 28, 2012 to June 30, 2018, the total cumulative return on a \$100 investment in the Shares with the total cumulative return on a \$100 investment in the S&P/TSX Composite Total Return Index.

Comparison of Cumulative Total Return

| Month / Year | December 28, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 |
|--------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cardinal Resources Limited | \$100 | \$27 | \$13 | \$33 | \$200 | \$353 | \$307 |
| S&P/TSX Composite Total Return Index | \$100 | \$100 | \$129 | \$127 | \$127 | \$141 | \$156 |

The Remuneration and Nomination Committee and the Board generally evaluate performance by reference to the achievement of corporate objectives rather than by short-term changes in the Company's Share price, which, in the past, has typically been significantly influenced by overall economic, market and industry conditions.

The Company does not link executive compensation with changes in the Company's Share price.



NEO Summary Compensation Table

The following table sets forth a summary of the compensation paid for each of the Company's three most recently completed financial years for each NEO in the most recently completed financial year:

| Name and Principal Position | Year | 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 Koimtsidis ⁽¹⁾ | 2018 | 300,000 | - | 675,548 | - | - | - | 8,386 | 983,934 |
| | 2017 | 286,667 | - | 288,380 ⁽²⁾ | - | - | - | 5,634 | 580,681 |

| Name and Principal Position | Year | 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 (\$) | | | |
| <i>CEO / Managing Director</i> | 2016 | 222,500 | - | 276,000 ⁽²⁾ | - | - | - | 4,230 | 502,730 |
| Malik Easah ⁽¹⁾ <i>Executive Director</i> | 2018 | 271,013 | - | 600,487 | - | - | - | 7,492 | 878,992 |
| | 2017 | 233,901 | - | 256,337 ⁽²⁾ | - | - | - | 4,802 | 495,040 |
| | 2016 | 168,995 | - | 184,000 ⁽²⁾ | - | - | - | 2,996 | 355,991 |
| Derrick Weyrauch ⁽⁴⁾ <i>Former CFO</i> | 2018 | 307,821 | - | 480,961 | - | - | - | 6,781 | 795,563 |
| | 2017 | - | - | - | - | - | - | - | - |
| | 2016 | - | - | - | - | - | - | - | - |
| Sarah Shipway ⁽⁵⁾ <i>Company Secretary</i> | 2018 | 130,000 | 33,000 | - | - | - | 12,350 | - | 175,350 |
| | 2017 | 98,550 | - | - | - | - | - | - | 98,550 |
| | 2016 | 49,598 | - | - | - | - | - | - | 49,598 |
| Paul Abbott <i>Exploration Manager</i> | 2018 | 139,324 | - | 375,305 ⁽²⁾ | - | - | - | - | 514,629 |
| | 2017 | 144,640 | - | 160,211 ⁽²⁾ | 300,000 | - | - | - | 604,851 |
| | 2016 | 141,285 | - | 92,000 ⁽²⁾ | - | - | - | - | 233,285 |
| Bruce Lilford <i>Project Manager</i> ⁽⁶⁾ | 2018 | 233,333 | 25,000 | 375,305 ⁽²⁾ | - | - | 21,402 | - | 655,040 |
| | 2017 | 125,000 | - | 160,211 ⁽²⁾ | - | - | 9,808 | - | 295,019 |
| | 2016 | - | - | - | - | - | - | - | - |
| Richard Bray <i>Senior Geologist</i> ⁽⁷⁾ | 2018 | 200,000 | 50,000 | - | - | - | 18,437 | - | 268,437 |
| | 2017 | 33,333 | 8,333 | - | - | - | 3,167 | - | 44,833 |
| | 2016 | - | - | - | - | - | - | - | - |
| Ekow Taylor <i>Senior Geologist</i> ⁽⁸⁾ | 2018 | 186,512 | 38,333 | - | - | - | 17,719 | - | 242,564 |
| | 2017 | 13,993 | 3,333 | - | - | - | 9,808 | - | 27,134 |
| | 2016 | - | - | - | - | - | - | - | - |

Notes:

- (1) 100% of the compensation paid to Messrs. Koimtsidis and Easah for the years ended June 30, 2018, 2017 and 2016 is attributable to their service as officers of the Company.
- (2) The Company uses the Black-Scholes model to calculate the fair value of option-based awards on the grant date. The Company chose the Black-Scholes model because it is a widely recognized and utilized

model for option pricing. The options granted during the financial years ended June 30, 2017 and 2016 were assigned a fair value of \$0.39 and \$0.092, respectively, using the Black-Scholes method.

- (3) The Company uses the Black-Scholes model to calculate the fair value of option-based awards on the grant date. The Company chose the Black-Scholes model because it is a widely recognized and utilized model for option pricing. The options granted during the financial years ended June 30, 2018 and were assigned a fair value of \$0.385, using the Black-Scholes method.
- (4) Mr. Weyrauch was appointed CFO on July 10, 2017, replacing Ms. Shipway.
- (5) 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 Company. The amounts disclosed for Ms. Shipway for the year ended June 30, 2016 represents the portion of Ms. Shipway's compensation from Marshall Michael Chartered Accountants Pty Ltd that was attributable to the services provided by Marshall Michael Chartered Accountants Pty Ltd to the Company. Ms. Shipway is the Company's Secretary and held the position of CFO until the appointment of Mr. Palmbachs and post the retirement of Mr. Palmbachs until July 10, 2017 when Mr. Weyrauch was appointed CFO.
- (6) Mr. Lilford was appointed Project Manager on January 3, 2017.
- (7) Mr. Bray was appointed Senior Australian Geologist on May 1, 2017.
- (8) Mr. Taylor was appointed Senior Geologist on June 5, 2017.

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

NEO Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to the share-based and option-based awards outstanding as at June 30, 2018 for each NEO in the most recently completed financial year.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|--|---|----------------------------|------------------------|---|--|--|--|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-Money Options (\$) ⁽¹⁾ | 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 CEO / Managing Director | 4,500,000 ⁽³⁾ | 0.50 | April 18, 2022 | - | - | - | - |
| | 3,000,000 ⁽²⁾ | 0.22 | March 18, 2020 | 630,000 | - | - | - |

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---|--|-------------------------------|------------------------|--|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-Money Options (\$) ⁽¹⁾ | 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 (\$) |
| Malik Easah | 4,000,000 ⁽³⁾ | 0.50 | April 18, 2022 | - | - | - | - |
| <i>Executive Director</i> | 2,000,000 ⁽²⁾ | 0.22 | March 18, 2020 | 420,000 | - | - | - |
| Derrick Weyrauch ⁽⁴⁾ <i>CFO</i> | 2,879,000 ⁽³⁾ | 0.825 | December 21, 2022 | - | - | - | - |
| Sarah Shipway <i>Company Secretary</i> | - | - | - | - | - | - | - |
| Paul Abbott | 2,500,000 ⁽³⁾ | 0.50 | April 18, 2022 | - | - | - | - |
| <i>Exploration Manager</i> | 1,000,000 ⁽²⁾ | 0.22 | March 18, 2020 | 210,000 | - | - | - |
| Bruce Lilford <i>Project Manager</i> | 2,500,000 ⁽³⁾ | 0.50 | April 18, 2022 | - | - | - | - |
| Richard Bray <i>Senior Geologist</i> | - | - | - | - | - | - | - |
| Ekow Taylor <i>Senior Geologist</i> | - | - | - | - | - | - | - |

Notes:

- (1) Calculated based on the difference between the market price of the Shares on June 30, 2018 and the exercise price of the Options. The closing price of the Shares as listed on the ASX on June 30, 2018 was \$0.43.
- (2) The options granted during the year ended June 30, 2017 were Unlisted Options exercisable at \$0.22 on or before March 18, 2020.
- (3) Milestone Options exercisable at the exercise price based on the following milestone events being achieved:
 - (i) the earlier of:

- (a) the completion of a scoping study; or
 - (b) the completion of a preliminary economic assessment of the Ghanaian Assets (Milestone 1);
 - (ii) on the beginning of earthworks for gold production at the Ghanaian Assets (Milestone 2); and
 - (iii) on the first pouring of gold at the Ghanaian Assets (Milestone 3).
- (4) Mr. Weyrauch was appointed CFO on July 10, 2017.

NEO Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each of the NEOs for the most recently completed financial year, the value of all incentive plan awards that vested during the financial year ended June 30, 2018.

| Name | Option-based awards Value vested during the year (\$) ⁽¹⁾⁽⁴⁾ | Share-based awards Value vested during the year (\$) | Non-equity incentive plan compensation Value earned during the year (\$) |
|---|---|--|--|
| Archie Koimtsidis <i>CEO / Managing Director</i> ⁽²⁾⁽³⁾ | \$0 | - | - |
| Malik Easah <i>Executive Director</i> ⁽²⁾⁽³⁾ | \$0 | - | - |
| Derrick Weyrauch ⁽²⁾⁽³⁾⁽⁴⁾ <i>CFO</i> | \$0 | - | - |
| Sarah Shipway <i>Company Secretary</i> | - | - | - |
| Paul Abbott <i>Exploration Manager</i> ⁽²⁾⁽³⁾ | \$0 | - | - |
| Bruce Lilford <i>Project Manager</i> ⁽²⁾⁽³⁾ | \$0 | - | - |
| Richard Bray <i>Senior Geologist</i> | - | - | - |
| Ekow Taylor <i>Senior Geologist</i> | - | - | - |

Notes:

- (1) Represents aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date which value is computed by determining the difference between the market price of the Shares on the vesting date and the exercise price of the options on the vesting date.
- (2) During the year, Milestone 1 was achieved and Milestone 1 Options vested on 5 February 2018. The closing price of the Shares as listed on the ASX on 5 February 2018 was \$0.50.
- (3) The aggregate dollar value of the Milestone 1, as defined in Note 1, is \$0.
- (4) Mr. Weyrauch was appointed CFO on July 10, 2017.

Director Summary Compensation Table

The following table provides information regarding compensation paid to the Company's directors, other than Archie Koimtsidis and Malik Easah, during the financial year ended June 30,

2018. Compensation for Messrs. Koimtsidis and Easah is reflected under the heading " *Statement of Executive Compensation – NEO Summary Compensation Table*" above.

| Name | Fees Earned (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|------------------------------------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|-------------------------|
| Kevin Tomlinson ⁽²⁾ | 110,375 | - | 750,609 ⁽¹⁾ | - | - | 7,402 | 868,386 |
| Mark Connelly ⁽³⁾ | 22,462 | - | (160,262) | - | 2,134 | 211 | (135,455) |
| Simon Jackson ⁽³⁾ | 22,462 | - | (160,262) | - | 2,134 | 211 | (135,455) |
| Robert Schafer ⁽⁷⁾ | 81,044 | - | 480,961 ⁽²⁾ | - | - | 4,831 | 566,836 |
| Jacques McMullen ⁽³⁾ | 62,050 | - | 143,559 ⁽³⁾ | - | - | 1,768 | 207,377 |
| Michele Muscillo ⁽³⁾⁽⁶⁾ | 62,050 | - | 143,559 ⁽³⁾ | - | - | 1,768 | 207,377 |

Notes:

- (1) The Milestone Options granted during the financial year ended June 30, 2017 were valued using the Black Scholes option model and were ascribed a value of \$0.39.
- (2) The Milestone Options granted during the financial year ended June 30, 2018 were valued using the Black Scholes option model and were ascribed a value of \$0.385.
- (3) The Milestone Options granted during the financial year ended June 30, 2018 were valued using the Black Scholes option model and were ascribed a value of \$0.370.
- (4) During the year ended June 30, 2018, in addition to director fees, the Company paid Mr. Tomlinson \$337,218 for geological consulting services.
- (5) Messrs. Connelly and Jackson resigned from the Board on October 12, 2017, and Messrs. McMullen and Muscillo were appointed.
- (6) During the year ended June 30, 2018, in addition to director fees, the Company paid HopgoodGamin, of which Michele Muscillo is a partner of, \$3,506 for legal services.
- (7) During the year ended June 30, 2018, in addition to director fees, the Company paid Robert Schafer \$12,911 for consulting services.

Director Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to the share-based and option-based awards outstanding as at June 30, 2018 for each director of the Company, other than Archie Koimtsidis and Malik Easah.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---------------------------------|--|-------------------------------|------------------------|--|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-the-Money Options (\$) ⁽¹⁾ | 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 (\$) |
| Kevin Tomlinson | 5,000,000 ⁽³⁾ | \$0.50 | April 18, 2022 | \$0 | - | - | - |
| Mark Connelly ⁽⁴⁾ | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Simon Jackson ⁽⁴⁾ | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Robert Schafer | 2,879,000 ⁽³⁾ | \$0.825 | December 21, 2022 | \$0 | - | - | - |
| Jacques McMullen ⁽⁴⁾ | 2,018,100 ⁽³⁾ | \$0.965 | December 21, 2022 | \$0 | - | - | - |
| Michele Muscillo ⁽⁴⁾ | 2,018,100 ⁽³⁾ | \$0.965 | December 21, 2022 | \$0 | - | - | - |

Notes:

- (1) Calculated based on the difference between the market price of the Shares on June 30, 2018 and the exercise price of the Options. The closing price of the Shares as listed on the ASX on June 30, 2018 was \$0.43.
- (2) The options granted during the year ended June 30, 2017 were Unlisted Options exercisable at \$0.22 on or before March 18, 2020.
- (3) Milestone Options exercisable at the exercise price based on the following milestone events being achieved:
 - (i) the earlier of:
 - (a) the completion of a scoping study; or
 - (b) the completion of a preliminary economic assessment, of the Ghanaian Assets (Milestone 1);
 - (ii) on the beginning of earthworks for gold production at the Ghanaian Assets (Milestone 2); and
 - (iii) on the first pouring of gold at the Ghanaian Assets (Milestone 3),
- (4) Messrs. Connelly and Jackson resigned from the Board on October 12, 2017, and Messrs. McMullen and Muscillo were appointed

Director Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director of the Company, other than Archie Koimtsidis and Malik Easah, the value of all incentive plan awards that vested during the financial year ended June 30, 2018.

| Name | Option-based awards Value vested during the year (\$) ⁽¹⁾⁽²⁾ | Share-based awards Value vested during the year (\$) | Non-equity incentive plan compensation Value earned during the year (\$) |
|---------------------------------|---|--|--|
| Kevin Tomlinson | \$0 | - | - |
| Mark Connelly ⁽³⁾ | - | - | - |
| Simon Jackson ⁽³⁾ | - | - | - |
| Robert Schafer | \$0 | - | - |
| Jacques McMullen ⁽³⁾ | \$0 | - | - |
| Michele Muscillo ⁽³⁾ | \$0 | - | - |

Notes:

- (1) Represents aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date which value is computed by determining the difference between the market price of the Shares on the vesting date and the exercise price of the options on the vesting date.
- (2) During the year Milestone 1 was achieved and Milestone 1 Options vested on 5 February 2018. The closing price of the Shares as listed on the ASX on 5 February 2018 was \$0.50.
- (3) Messrs. Connelly and Jackson resigned from the Board on October 12, 2017, and Messrs. McMullen and Muscillo were appointed.

NEO Employment and Consulting Agreements

Each NEO has entered into an employment or consulting agreement with the Company.

Archie Koimtsidis and Malik Easah

Under the terms of the employment agreements for Messrs. Koimtsidis and Easah both of which are dated April 4, 2017:

- (i) Each executive is paid an annual base salary, being \$300,000 for Mr. Koimtsidis and US\$210,000 for Mr. Easah. Each executive's annual base salary is subject to annual review by the Board and each executive 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 association fees related to the executive's duties and a laptop computer.
- (iii) Messrs. Koimtsidis and Easah may resign or terminate their respective employment agreements by giving the Company twelve and six months' written notice respectively. If the Company terminates Messrs. Koimtsidis or Easah's employment at will, it will give the relevant executive twelve and six months' written notice respectively, except where termination is due to incapacity, where three months' written notice is required. The Company, at its sole discretion, may pay the executive in lieu of all or part of the notice period.

- (iv) The Company may immediately terminate either Mr. Koimtsidis or Mr. Easah 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 Company or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or the executive may immediately terminate by providing notice within one month of a "Prescribed Event" occurring which could 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 their base location. If termination occurs as a result of a "Prescribed Event", 100% of total remuneration will be paid. The executive will not be entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Paul Abbott

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

- (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 airfares between Tamale and Accra, Ghana paid by the Company for use at his discretion but in agreement with the Managing Director. The Company may, at its discretion, offer to pay additional airfares. The Company also provides comprehensive medical insurance including emergency evacuation services from any location in Ghana, a motor vehicle and reimbursement of expenses.
- (iv) The Company may terminate the agreement 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 Company 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 Company three months' written notice. If termination is due to a material change (being a material diminution in Mr. Abbott's responsibilities or powers), the Company will pay an amount equal to the aggregate of three months' fees.

Sarah Shipway

Under the terms of the employment agreement and subsequent amendment with Sarah Shipway dated August 25, 2016:

- (i) Ms Shipway is paid an annual base salary of \$132,000 plus statutory Australian superannuation. Ms Shipway's annual base salary is subject to annual review by the Board and Ms Shipway may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Ms Shipway receives an equity component in addition to the annual base salary.
- (iii) Ms Shipway may resign or terminate her employment agreement by giving the Company six months' written notice. If the Company terminates Mr Shipway's employment at will, it will give Ms Shipway six months' written notice. The Company, at its sole discretion, may pay Ms Shipway in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate Ms Shipway 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 Company, or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or Ms Shipway may immediately terminate by providing notice within one month for "Good Reason" which could include any of the following events occurring, without the consent of Ms Shipway: a material adverse change to Ms Shipway'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 "Good Reason", three months of total remuneration will be paid. Ms Shipway will not be entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Derrick Weyrauch

Under the terms of the employment with Derrick Weyrauch dated October 18, 2017:

- (i) Mr Weyrauch is paid an annual base salary of C\$250,000 plus statutory Australian superannuation. Mr Weyrauch's annual base salary is subject to annual review by the Board and Mr Weyrauch may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Either the Company or Mr Weyrauch may terminate the agreement for "Good Reason" which could include any of the following events occurring, without the consent of Mr Weyrauch: a material alteration in position, title, job description, authority, reporting relationship, the assignment of duties that are materially inconsistent with your skills, position, duties or status within Cardinal, or duties and/or responsibilities; a reduction in salary; or a relocation outside of Toronto, Ontario. If termination occurs as a result of a "Good Reason", three months of total remuneration will be paid.

- (iii) Cardinal will be required to provide three months' notice of termination of Mr. Weyrauch's employment.

Bruce Lilford

Under the terms of the employment agreement and subsequent amendment with Bruce Lilford dated March 7, 2018:

- (i) Mr Lilford is paid an annual base salary of \$200,000 plus statutory Australian superannuation. Mr Lilford's annual base salary is subject to annual review by the Board and Mr Lilford may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Mr Lilford receives an equity component in addition to the annual base salary.
- (iii) Mr Lilford may resign or terminate his employment agreement by giving the Company six months' written notice. If the Company terminates Mr Lilford's employment at will, it will give Mr Lilford six months' written notice. The Company, at its sole discretion, may pay Mr Lilford in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate Mr Lilford 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 Company, or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or the executive may immediately terminate by providing notice within one month of a "Prescribed Event" occurring which could 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, or a change of control. If termination occurs as a result of a "Prescribed Event", 50% of total remuneration will be paid. Mr Lilford will not be entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Richard Bray

Under the terms of the employment agreement and subsequent amendment with Richard Bray dated May 1, 2017:

- (i) Mr Bray is paid an annual base salary of \$200,000 plus statutory Australian superannuation. Mr Bray's annual base salary is subject to annual review by the Board and Mr Bray may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Mr Bray receives an equity component in addition to the annual base salary. Any equity component which remains outstanding at the time a change of control occurs becomes immediately issuable to Mr Bray (subject always to the Company complying with its obligations under applicable laws or regulations).

- (iii) Mr Bray may resign or terminate his employment agreement by giving the Company three months' written notice. If the Company terminates Mr Bray's employment at will, it will give Mr Bray three months' written notice. The Company, at its sole discretion, may pay Mr Bray in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate Mr Bray for breach of agreement, where charged with a criminal offence that might tend to injure the reputation or business of the Company, bankruptcy, incapacity, inability to meet requirements of position, or gross misconduct.

Ekow Taylor

Under the terms of the employment agreement and subsequent amendment with Ekow Taylor dated June 5, 2017:

- (i) Mr Taylor is paid an annual base salary of \$205,000 plus statutory Australian superannuation. Mr Taylor's annual base salary is subject to annual review by the Board and Mr Taylor may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Mr Taylor receives an equity component in addition to the annual base salary. Any equity component which remains outstanding at the time a change of control occurs becomes immediately issuable to Mr Taylor (subject always to the Company complying with its obligations under applicable laws or regulations).
- (iii) Mr Taylor may resign or terminate his employment agreement by giving the Company three months' written notice. If the Company terminates Mr Taylor's employment at will, it will give Mr Taylor three months' written notice. The Company, at its sole discretion, may pay Mr Taylor in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate Mr Taylor for breach of agreement, where charged with a criminal offence that might tend to injure the reputation or business of the Company, bankruptcy, incapacity, inability to meet requirements of position, or gross misconduct.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or previously acted as a NEO of the Company in connection with or related to the retirement, termination or resignation of such person or as a result of change of control of the Company, its subsidiaries or affiliates. If a termination or change of control event had occurred on June 30, 2018, the incremental payments, payables and benefits that would have been payable to each of the NEOs would be as shown in the following table.

| 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 ⁽²⁾⁽⁴⁾ ; Material Change ⁽³⁾ | Termination compensation for Prescribed Event ⁽²⁾⁽⁴⁾ or Material Change ⁽³⁾ |
|-------------------|----------------------------|---|--|--|---|---|
| Archie Koimtsidis | \$300,000 | 12 months | \$300,000 ⁽⁴⁾ | Nil | No notice period ⁽²⁾ | \$300,000 ⁽⁶⁾ |
| Malik Easah | US\$210,000 ⁽⁷⁾ | 6 months | US\$105,000 ⁽⁴⁾ | Nil | No notice period ⁽²⁾ | US\$210,000 ⁽⁶⁾ |
| Paul Abbott | US\$108,000 ⁽⁷⁾ | 1 month | US\$9,000 | Nil | 3 months ⁽³⁾ | US\$27,000 |
| Sarah Shipway | \$184,140 | 6 months | \$72,270 | Nil | 1 month | \$36,135 |
| Derrick Weyrauch | C\$273,750 ⁽⁸⁾ | 3 months | \$62,500 | Nil | N/A | N/A |
| Bruce Lilford | \$269,000 | 6 months | \$100,000 | \$100,000 | 1 month | \$100,000 |
| Richard Bray | \$269,000 | 3 months | \$50,000 | \$50,000 | N/A | N/A |
| Ekow Taylor | \$244,475 | 3 months | \$51,250 | \$20,000 | N/A | N/A |

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) "Prescribed Event" for the purposes of Mr. Lilford's employment agreement includes any of the following events occurring: 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, or a change of control.
- (5) The amount payable is equal to 100% of annual remuneration.
- (6) The amount payable to Messrs. Koimtsidis and Easah is equal to 100% of annual remuneration.
- (7) Messrs. Easah and Abbott are paid US\$210,000 and US\$108,000 respectively. The Australian dollar equivalent as at September 24, 2018 is \$288,071 and \$148,151 respectively.
- (8) Mr Weyrauch is paid C\$273,750. The Australian dollar equivalent as at September 24, 2018 is \$290,521.

Equity Compensation Plan Information

The following table sets forth aggregated information, as at June 30, 2018, with respect to compensation plans of the Company under which equity securities of the Company are authorized for issuance.

| Plan Category | Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$) | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#) |
|---|--|---|--|
| Equity compensation plans approved by securityholders | 35,294,200 ⁽¹⁾ | \$0.57 | 11,916,179 ⁽²⁾⁽³⁾ |
| Equity compensation plans not approved by securityholders | - | - | - |
| Total | 35,294,200 | \$0.57 | 11,916,179 |

Note:

- (1) Includes 6,000,000 Shares reserved for issuance pursuant to Options granted under the Prior Plan, 18,500,000 Shares reserved for issuance pursuant to Options granted outside of the Prior Plan and 10,794,200 issued under the Company's new plan.
- (2) Based on the aggregate number of Options remaining available for future issuance under the Prior Plan as of June 30, 2017. The maximum aggregate number of Options available for issuance under the Prior Plan at any point in time was 5% of the number of issued and outstanding Shares at such time. As at June 30, 2017, there were 350,529,559 Shares outstanding.
- (3) On October 17, 2017, the Company adopted the new Plan, which contains a 5% rolling limit (including Shares issuable pursuant to the Prior Plan) and the Company will no longer issue Options pursuant to the Prior Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no person proposed to be nominated for election as a director of the Company, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, pursuant to a security purchase program of the Company or otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out in the Explanatory Statement and Management Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) of the Company, no person proposed to be nominated for election as a director of the Company, nor any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Company currently has six directors, three of whom are considered independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). Following the Meeting, it is expected that three of the six directors will be considered independent (assuming election of the nominees) for the purposes of NI 58-101. Kevin Tomlinson, the current Non-Executive Chairman, Archie Koimtsidis, the current CEO and Managing Director, and Malik Easah, the current Executive Director, are each not considered independent for the purposes of NI 58-101. Mr. Tomlinson received fees in excess of \$75,000 from the Company during a 12-month period within the last three years and is, accordingly, not independent within the meaning of NI 58-101. Messrs. Koimtsidis and Easah are executive officers of the Company and are, accordingly, not independent within the meaning of NI 58-101.

A majority of the directors are not considered independent. Notwithstanding the foregoing, the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. The Board has free access to the Company's external auditors, legal counsel and to any of the Company's officers.

The following table sets out, for each current director of the Company, the other reporting issuers (or the equivalent in a foreign jurisdiction) of which he is also a director:

| Director | Other Reporting Issuers |
|-------------------|--|
| Kevin Tomlinson | Plymouth Minerals Limited Samco Gold Limited Xanadu Mines Limited |
| Archie Koimtsidis | None |
| Malik Easah | None |
| Jacques McMullen | Equinox Gold Excellon Resources |
| Michele Muscillo | Aeris Resources Limited Xanadu Mines Limited Mako Gold Limited |
| Robert Schafer | Amur Minerals Inc. Trigon Mining Inc. Volcanic Gold Mines Inc. Orosur Mining Inc. |

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. However, as deemed necessary and as required in the context of any conflict or potential conflict of interest, non-independent or conflicted directors are asked to recuse themselves from Board meetings to ensure that open and candid discussion is facilitated.

As of the date hereof, Kevin Tomlinson is the Non-Executive Chairman of the Board (the "**Chairman**") and is not considered independent for the purposes of NI 58-101. Michele Muscillo is the lead independent director.

The Chairman (or lead independent director) is responsible for overseeing the operations and affairs of the Board. The Chairman (or lead independent director) is 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 Remuneration and 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 Remuneration and 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 Remuneration and Nomination Committee for changes when appropriate;
- consulting with the Remuneration and 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.

In the year ended June 30, 2018 five board meetings, five Audit and Risk Committee meetings, three Remuneration and Nomination Committee and three Health and Safety Committee meetings were held. The table below outlines attendance by each director.

| Director | Directors' Meetings | Audit and Risk Committee Meetings | Remuneration and Nomination Committee Meetings | Health and Safety Committee |
|---------------------------------|---------------------|-----------------------------------|--|-----------------------------|
| Kevin Tomlinson ⁽¹⁾ | 5 | 1 | 2 | 3 |
| Archie Koimtsidis | 5 | - | - | - |
| Malik Easah | 5 | - | - | - |
| Robert Schafer | 5 | 3 | 1 | 3 |
| Jacques McMullen ⁽¹⁾ | 5 | 3 | 1 | T3 |
| Michele Muscillo ⁽¹⁾ | 3 | 3 | 1 | - |

Notes:

1. Mr McMullen and Mr Muscillo were appointed on 11 October 2017.

Board Mandate

The Board's primary duty is to supervise the management of the business and affairs of the Company and to pursue the best interests of the Company. In discharging its mandate, the Board is responsible for, among other things, the following matters:

- 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;
- setting strategic objectives of the Company, and periodically reviewing the Company's progress against those objectives;
- reviewing, ratifying and monitoring systems of risk management and integral control;
- approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market;
- appointment of professional advisors; and
- any formal determinations required by the Company's constitutional documents, by-laws, or any external regulations.

The Board discharges its responsibilities and obligations either directly or through its committees, currently consisting of: 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 Remuneration and Nomination Committee.

A copy of the Charter of the Board setting out the Board's role and responsibilities is available on the Company's website at www.cardinalresources.com.au.

Position Descriptions

The Charter of the Board contains a written description of the responsibilities of the Chair or, if applicable, the lead independent director. 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.

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.

Orientation and Continuing Education

The Board provides an orientation program for new directors, which includes onsite visits to operations. Additionally, historically, new directors are typically familiar with the Company and the nature of its business. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. In the view of the Board, individual directors also have available to them opportunities for continuing education via their professional associations.

Ethical Business Conduct

The Board has adopted a Code of Conduct applicable to each director, officer and employee of the Company (the "Code of Conduct"). Copies of the Code of Conduct are included in the Company's Corporate Governance Policies and Procedures Manual, which is available upon request from the Corporate Secretary and on the Company's website at www.cardinalresources.com.au/corporate-governance.

The Board monitors compliance with the Code of Conduct using the Company's corporate governance plan. In addition, the Company's senior management monitors compliance with the Code of Conduct.

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:

- 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.

The Audit and Risk Committee is responsible for assisting the Board in connection with the compliance by the Company and its directors, officers and employees with all applicable laws, regulations and policies adopted by the Company, including the Risk Management Policy and the Code.

Nomination of Directors

The Remuneration and Nomination Committee duties' include identifying and recommending candidates to fill casual vacancies and determining the appropriateness of director nominees for election to the Board.

The Remuneration and Nomination Committee is comprised entirely of independent directors. 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 introduction to

the Company, succession planning, the evaluation of the performance of the Managing Director and annually reviewing and reporting to the Board on the proportion of women at all levels of the Company.

Compensation

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 executive officers.

The Remuneration and Nomination Committee is comprised entirely of independent directors. 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 Company and to engage and compensate external legal or other professional advisors.

The Remuneration and Nomination Committee is responsible for, among other things, establishing appropriate remuneration levels and policies for directors and senior executives, reviewing the complete remuneration packages of directors and senior executives, 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.

The Remuneration and Nomination Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people.

For more information with respect to the compensation of the Named Executive Officers and the directors of the Company, see "*Statement of Executive Compensation*" above.

Other Board Committees

Other than the Audit and Risk Committee, the Remuneration and Nomination Committee and the Health and Safety Committee, there are no other current standing committees of the Board.

Information regarding the Audit and Risk Committee, including the complete text of the charter of the Audit and Risk Committee, is set forth in the annual information form of the Company dated September 28, 2018 under the heading "*Audit Committee and Related Information*".

Assessments

Currently the Board has not implemented a formal process for assessing the performance of the Board, its committees, or its individual directors. At present, the Board monitors the adequacy of information provided to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit and Risk Committee, to satisfy itself that the Board, the Audit and Risk Committee and individual directors are performing effectively.

Director Term Limits and Other Mechanisms of Board Renewal

The Company 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 Company. As discussed above, the Remuneration and Nomination Committee is responsible for assessing the composition 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.

Policies Regarding the Representation of Women on the Board

The Company has adopted a diversity policy (the "Diversity Policy"), which recognizes the benefits arising from diversity, including gender diversity, among the Company's employees and at the Board level. Due to the limited number of employees of the Company, the Diversity Policy does not establish any fixed targets regarding the representation of diverse candidates on the Board or in senior management.

The Diversity Policy recognizes that having a diverse and talented workforce is a competitive advantage and confirms that it is the Company'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.

Consideration of the Representation of Women in the Director Identification and Selection Process

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.

Consideration Given to the Representation of Women in Executive Officer Appointments

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.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Company has not adopted a target regarding the representation of women on the Board. The Company 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.

Due to the limited number of employees of the Company, the Company has not adopted a target regarding women in executive officer positions.

Number of Women on the Board and in Executive Officer Positions

None (0%) of the members of the Board are women. One out of the fourteen (7%) executive officers of the Company is a woman.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the ASX website at www.asx.com.au. Further financial information is provided in the audited consolidated financial statements of the Company for the financial year ended June 30, 2018 and related management's discussion and analysis which accompany this Explanatory Statement and Management Information Circular and have also been filed on SEDAR. Shareholders may also contact Sarah Shipway, the Corporate Secretary of the Company, by e-mail at sarah@cardinalresources.com.au to request a copy of these documents.

The Company will provide any shareholder of the Company, without charge, upon request to the Corporate Secretary of the Company:

- (a) one copy of the audited consolidated financial statements of the Company for the financial year ended June 30, 2018, together with the report of the auditor thereon;
- (b) one copy of the management's discussion and analysis for the financial year ended June 30, 2018; and
- (c) one copy of this Explanatory Statement and Management Information Circular.

APPROVAL

The directors of the Company have approved the contents of this Explanatory Statement and Management Information Circular and the sending thereof to the shareholders of the Company.

DATED at Toronto, Ontario this 1st day of October, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"Archie Koimtsidis"
Archie Koimtsidis

Chief Executive Officer and Managing
Director

GLOSSARY

10% Placement Capacity has the meaning given in Section 6 of the Explanatory Statement.

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Cardinal Resources Limited (ACN 147 325 620).

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Ghanaian Assets means the five (5) tenements prospective for gold mineralisation in Ghana in two NE-SW trending paleo-proterozoic granite-greenstone belts in connection with the Bolgatanga project and Subranum project.

Insider has the meaning given to the term "insider" in Part I of the TSX Company Manual.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Management Information Circular means the management information circular accompanying and forming part of the Explanatory Statement.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement, the Management Information Circular and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement unless otherwise specified.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

TSX means the Toronto Stock Exchange.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 31 OCTOBER 2017

| Date | Quantity | Class | Recipients | Issue price and discount to Market Price (if applicable) ¹ | Form of consideration |
|--|-----------|---------------------|---|--|--|
| Issue – 20 September 2018 Appendix 3B – 19 September 2018 | 125,000 | Shares ² | Holder of Quoted Options | \$0.15 per Share on conversion of quoted Options (representing a 71.11% discount to Market Price) | Cash Amount raised = \$57,750 Amount spent = \$0 Use of funds: Working capital Amount remaining = \$57,750 |
| Issue – 28 August 2018 Appendix 3B – 29 August 2018 | 4,250,000 | Shares ² | Issue to Sprott Private Resources Lender (Collector) L.P. as per of senior secured credit facility. | No issue price (no cash consideration) | Consideration: Issued for services rendered Current Value = \$1,997,500 |
| Issue – 31 July 2018 Appendix 3B – 31 July 2018 | 385,000 | Shares ² | Holder of Quoted Options | \$0.15 per Share on conversion of quoted Options (representing a 68.09% discount to Market Price) | Cash Amount raised = \$57,750 Amount spent = \$57,750 Use of funds: Working capital Amount remaining = \$0 |
| Issue – 12 June 2018 Appendix 3B – 12 June 2018 | 340,000 | Shares ² | Issued to employees of the Company. | No issue price (no cash consideration) | Consideration: Issued for services rendered Current Value = \$159,800 |
| Issue – 12 June 2018 Appendix 3B – 12 June 2018 | 24 | Shares ² | Holder of Quoted Options | \$0.15 per Share on conversion of quoted Options (representing a 67.39% discount to Market Price) | Cash Amount raised = \$3.60 Amount spent = \$3.60 Use of funds: Working capital Amount remaining = \$0 |
| Issue – 29 May 2018 Appendix 3B - 29 May 2018 | 49,507 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 66.29% discount to Market Price) | Cash Amount raised = \$7,426.05 Amount spent = \$7,426.05 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3B – 2 May 2018 | 150,000 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 68.42% discount to Market Price) | Cash Amount raised = \$22,500 Amount spent = \$22,500 Use of funds: Working capital |

| | | | | | |
|--|-----------|--|---|---|--|
| Issue Date - 2 May 2018 | | | | | Amount remaining = \$0 |
| Appendix 3B - 2 May 2018 Issue Date - 2 May 2018 | 300,000 | Shares ² | Issued to employees of the Company. | No issue price (no cash consideration) | Consideration: Issued for services rendered Current Value = \$141,000 |
| Appendix 3B - 19 April 2018 Issue Date - 19 April 2018 | 500,000 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 72.22% discount to Market Price) | Cash Amount raised = \$75,000 Amount spent = \$75,000 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3B - 10 April 2018 Issue Date - 10 April 2018 | 100,000 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 70.30% discount to Market Price) | Cash Amount raised = \$15,000 Amount spent = \$15,000 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3b - 28 March 2018 Issue Date - 28 March 2018 | 403,500 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 72.97% discount to Market Price) | Cash Amount raised = \$60,525 Amount spent = \$60,525 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3B -14 March 2018 Issue Date - 12 March 2018 | 189,500 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 72.97% discount to Market Price) | Cash Amount raised = \$28,425 Amount spent = \$28,425 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3B -1 March 2018 Issue Date - 1 March 2018 | 160,500 | Shares ² | Holder of Quoted Options | \$0.15 per Shares on conversion of quoted Options (representing a 72.22% discount to Market Price) | Cash Amount raised = \$24,075 Amount spent = \$24,075 Use of funds: Working capital Amount remaining = \$0 |
| Appendix 3B -21 December 2017 Issue Date - 21 December 2017 | 5,758,000 | Unquoted Options exercisable at \$0.825 on or before 21 December 2022 | Issued to Board and key management personnel of the Company approved at the Annual General Meeting held on 22 November 2017. | No issue price (no cash consideration) | Consideration: Issued for services rendered Current Value per option= \$0.2743 ⁽⁶⁾ |


| | | | | | |
|---|------------|---|---|---|---|
| Appendix 3B -21 December 2017 Issue Date - 21 December 2017 | 4,036,200 | Unquoted Options exercisable at \$0.965 on or before 21 December 2022 | Issued to Board members of the Company approved at the Annual General Meeting held on 22 November 2017. | No issue price (no cash consideration) | Consideration: Issued for services rendered Current Value per option = \$0.2622 ⁽⁶⁾ |
| Appendix 3B -21 December 2017 Issue Date - 21 December 2017 | 1,000,000 | Unquoted Options Exercisable at \$0.75 on or before 21 December 2022 | Holder of unquoted options | No issue price (no cash consideration) | Consideration: Issued for services rendered by a consultant who provides investor relations to the Company Current Value per option = \$0.2814 ⁽⁶⁾ |
| Appendix 3B -21 December 2017 Issue Date - 21 December 2017 | 379,390 | Shares ² | Issued to employees and consultants of the Company. | No issue price (no cash consideration) | Consideration: Issued for services rendered to the Company by employees pursuant to their remuneration packages and to a consultant pursuant to his services agreement Current Value = \$178,313 |
| Appendix 3B - 30 October 2017 Issue Date - 22 November 2017 | 18,461,600 | Shares ² | Syndicate of underwriters led by Clarus Securities Inc. | \$0.658 per Share | Cash Amount raised = \$12,147,732.80 Amount spent = \$4,843,925.80 Use of funds: Working capital Amount remaining = \$7,303,807 Proposed use of remaining funds: ⁵ the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration on the Company's current and/or new assets; and general working capital |
| Appendix 3B -10 November 2017 Issue Date - 10 November 2017 | 1,000,000 | Shares ² | Holders of unquoted options | \$0.22 per Share (representing a 63.93% discount on Market Price) | Cash Amount raised = \$220,000 Amount spent = \$220,000 Use of funds: Working capital Amount remaining = \$0 |


Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

2. Fully paid ordinary shares in the capital of the Company, ASX Code: CDV (terms are set out in the Constitution).
3. Quoted Options, exercisable at \$0.15 each, on or before 30 September 2019, ASX Code: CDVOA.
4. Unquoted Options, exercisable at \$0.50 each, on or before 12 April 2022. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 3 April 2017.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities, the value is based on the closing price of the Shares (\$0.47) or Options (\$0.31) as the context requires on the ASX on 24 September 2018. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

CDV
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (WST) Monday, 29 October 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cardinal Resources Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cardinal Resources Limited to be held at the Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on Wednesday, 31 October 2018 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Malik Easah | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Director – Robert Schafer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Ratification of prior issue – Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Ratification of prior issue – Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /