

19 October 2020

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

By: ASX Online

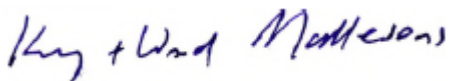
Dear Sir or Madam

Shandong Gold Mining (HongKong) Co., Limited – Off-market takeover bid for Cardinal Resources Limited ACN 147 325 620 (ASX:CDV) (Cardinal)

We act for Shandong Gold Mining (HongKong) Co., Limited, an entity incorporated in Hong Kong as a limited liability company, under Company Number 2489909 (**Bidder**) in respect of its off-market takeover bid (**Offer**) for all of the ordinary shares in Cardinal.

On behalf of the Bidder, we attach a second supplementary bidder's statement dated 19 October 2020, which supplements the bidder's statement issued by the Bidder and dated 11 August 2020 (as supplemented by the first supplementary bidder's statement dated 7 September 2020).

Yours sincerely



King & Wood Mallesons

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SECOND SUPPLEMENTARY BIDDER'S STATEMENT

19 October 2020

in respect of the **RECOMMENDED** and **UNCONDITIONAL** all cash Offer by Shandong Gold Mining (HongKong) Co., Limited (Company Number 2489908) for all of the ordinary shares in Cardinal Resources Limited ABN 56 147 325 620

The Offer price of \$1.00 per Cardinal Share is BEST AND FINAL in the absence of a higher competing offer

You should ACCEPT the unconditional Offer without delay

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser as soon as possible

Please call **1300 148 804** (toll-free within Australia) or **+61 3 9415 4305** (from outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney Time) if you require assistance. Canadian Branch Shareholders should contact their broker or financial adviser or call the Depositary Agent toll free at 1-800-564-6253 for assistance with respect to acceptance of the Offer.

IMPORTANT INFORMATION

This document is the second supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) issued by Shandong Gold Mining (HongKong) Co., Limited (**Bidder**) (**Second Supplementary Bidder's Statement**) to the Bidder's Statement dated 11 August 2020 (**Bidder's Statement**) as supplemented by the Bidder's first supplementary bidder's statement dated 7 September 2020 (**First Supplementary Bidder's Statement**), in relation to the Bidder's off-market takeover bid for all of the ordinary shares in Cardinal Resources Limited ACN 147 325 620 (**Cardinal**) dated 13 August 2020 (as varied by notices dated 7 September 2020, 21 September 2020 and 12 October 2020 (**Notices**)) (**Offer**).

The Second Supplementary Bidder's Statement supplements, and is to be read together with, the Bidder's Statement and the First Supplementary Bidder's Statement. This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement or the First Supplementary Bidder's Statement.

A copy of this Second Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 19 October 2020. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Second Supplementary Bidder's Statement or the merits of the Offer.

Unless the context requires otherwise, defined terms in the Bidder's Statement and the First Supplementary Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement. The rules of interpretation in section 9.2 of the Bidder's Statement also apply to this Second Supplementary Bidder's Statement.

SUPPLEMENTARY INFORMATION

1 Offer price is best and final in the absence of a higher competing offer

The Bidder confirms that the Offer price of \$1.00 per Cardinal Share is **best and final in the absence of a higher competing offer**.

The Bidder urges all remaining Cardinal Shareholders to ACCEPT the Offer without delay.

Shandong Gold Mining Co., Ltd (**Shandong Gold**), the holding company of the Bidder, and the Bidder reiterate that the highly attractive Offer price is the **highest** offer price currently available to you, which represents a significant premium of:¹

- 11.1% to Nordgold Offer price of \$0.90 per share announced on 2 September 2020;
- 300% over the closing price of \$0.25 of Cardinal Shares on 13 March 2020 (being the last unaffected share price prior to the Nordgold Indicative Proposal);
- 192.7% over the 20-day volume weighted average price of \$0.342 of Cardinal Shares up to 13 March 2020 (being the last trading day prior to the Nordgold Indicative Proposal); and
- 176.0% over the 6-month weighted average price of \$0.362 of Cardinal Shares for the period up to 13 March 2020 (being the last trading day prior to the Nordgold Indicative Proposal).

The Cardinal Directors continue to unanimously recommend that Cardinal Shareholders **ACCEPT** the Offer in the absence of a Superior Proposal. As announced by Cardinal on 15 September 2020, all Cardinal Directors who held Cardinal Shares at that time accepted the Offer in relation to the Cardinal Shares they held at that time.

¹ Source: IRESS Limited. As permitted by ASIC *Corporations (Consents to Statements) Instrument 2016/72*, this paragraph contains ASX trading information sourced from IRESS Limited without its consent.

Cardinal Shareholders who validly accept the Offer will be paid cash consideration of \$1.00 per Cardinal Share within 10 days of their acceptance.

2 Offer Period now due to close at 7.00pm (Sydney time) on 23 October 2020 (unless extended)

As announced by the Bidder on 12 October 2020, the Offer is due to close at 7.00pm (Sydney time) on 23 October 2020 (unless extended).

3 Email submission of Acceptance Forms by Cardinal Shareholders

The Bidder is pleased to announce that it has waived the requirement that Cardinal Shareholders must send their completed Acceptance Form to Computershare by post. A Cardinal Shareholder can now, in addition to returning the Acceptance Form by post, accept the Offer by submitting a scanned copy of their completed and signed Acceptance Form (together with all documents required by the instructions on the Acceptance Form) by email to corpactprocessing@computershare.com.au prior to the end of the Offer Period.

Cardinal Shareholders with any queries please contact the Offer Information Line on 1300 148 804 (toll free within Australia) or +61 3 9415 4305 (from outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney time).

4 Nordgold Offer remains unchanged since 2 September 2020 and at a significant discount despite multiple extensions of the Nordgold offer period

Nordgold increased its offer price from \$0.66 per Cardinal Share to \$0.90 per Cardinal Share on 2 September 2020. Following this increase, the Bidder exercised its matching rights under the Bid Implementation Agreement (see section 8.1(g) of the Bidder's Statement for a summary of the Bidder's matching right) and improved the consideration payable under the Offer to \$1.00 per Cardinal Share on 7 September 2020.

Since the Bidder improved its Offer price to \$1.00 per Cardinal Shares, Nordgold has extended the Nordgold Offer period 4 times (on 10 September 2020, 17 September 2020, 1 October 2020 and 15 October 2020), without improving the consideration payable under its offer. Whilst Nordgold is not precluded from doing so, Nordgold has given no public indication that it intends to increase its offer price.

As a result, the Nordgold Offer price has remained at a significant (10%) discount to the Bidder's Offer price for more than 41 days (since 7 September 2020) and, in the absence of an increase in the Nordgold Offer price, the Nordgold Offer will remain at a significant discount to the Bidder's Offer.

5 In contrast to the Nordgold Offer, acceptance of the Bidder's Offer allows Cardinal Shareholders to receive the superior \$1.00 per Cardinal Share Cash Consideration and to retain the benefit of any higher offer from the Bidder²

While the Offer is, as outlined above in section 1 of this Second Supplementary Bidder's Statement, best and final in the absence of a higher competing offer, if Nordgold were to increase its offer above \$1.00 per Cardinal Share and if the Bidder were to respond by increasing its Offer price (although it is not obliged to do so), then any Cardinal Shareholders that have previously accepted the Bidder's Offer will receive the benefit of the improved Cash Consideration from the Bidder as a result of the operation of the Offer's off-market takeover structure in accordance with the Corporations Act.

² As outlined above in section 1 of this Second Supplementary Bidder's Statement, the Offer is best and final but the Bidder may improve its Offer if there is a higher competing offer.

This contrasts with the on-market Nordgold Offer where any Cardinal Shareholders that accept the Nordgold Offer will only receive the Nordgold offer price at the time of their acceptance, and will not benefit from any escalation in price subsequently offered by Nordgold.

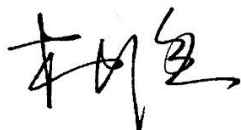
In addition to the material difference in offer prices between the Offer and the Nordgold Offer (the Bidder's \$1.00 Offer price versus Nordgold's \$0.90 offer price), the benefit to Cardinal Shareholders of any "statutory escalation" of the Bidder's Cash Consideration affords a distinct benefit to Cardinal Shareholders of the Bidder's Offer over the Nordgold Offer.

6 Authorisation

This Second Supplementary Bidder's Statement has been approved by a resolution passed by the Directors of the Bidder.

Dated 19 October 2020.

Signed on behalf of the Bidder.



Du Qiang
Director
Shandong Gold Mining (HongKong) Co., Limited