

PRESS RELEASE
23 October 2020

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Shareholders representing 19.38% of Cardinal's shares intend to accept Shandong Gold Offer in the absence of an increase from Nordgold or a superior proposal

Cardinal Resources Limited (ASX / TSX: CDV) ("Cardinal" or "the Company") advises that it has received 28 letters (**Shareholder Intention Statements**) from persons who own or control 19.38% of the Company's shares to the effect that they intend to accept the unconditional off-market takeover offer by Shandong Gold Mining (HongKong) Co., Ltd. ("**Shandong Gold**") ("**Shandong Gold Offer**") by Friday, 30 October 2020 if Shandong Gold has not otherwise extended its offer period by 10:00am on Friday 30 October, or if Shandong Gold has extended its offer by 10:00am on Friday 30 October, they intend to accept the Shandong Gold Offer by 5:30pm (AEDT) on the new last day of the Shandong Gold Offer period, subject to either:

- a) Nord Gold S.E ("**Nordgold**") not increasing the offer price of its takeover offer above A\$1.00 per Share; or
- b) there being no superior proposal for value in excess of A\$1.00 per Share,

in each case prior to 5.30pm (AEDT) on Thursday 29 October 2020

(the "**Intention**").

Full details of the persons that have provided Shareholder Intentions Statements are set out in Schedule 1 to this announcement.

Effect of the Statements

Cardinal provides the following update having regard to the receipt of the Shareholder Intention Statements:

- The Shandong Gold Offer is a cash, unconditional off market takeover offer at A\$1.00 per share, currently scheduled to close on 30 October 2020 (unless extended or withdrawn).
- The Nordgold Offer is a cash, unconditional on market takeover offer at A\$1.00 per share, currently scheduled to close at the close of trading on 3 November 2020 (unless extended or withdrawn).
- Shandong Gold announced on 19 October 2020 that its offer of A\$1.00 per share was its best and final offer price in the absence of a higher competing offer.
- Shandong Gold has confirmed it is unable to increase its offer unless Nordgold increases its offer (or there is a higher competing offer from a third party). Shandong Gold has also announced its intention to extend its offer period to 7.00pm (Sydney time) on Friday, 30 October 2020.
- A number of persons, details of which are set out in Schedule 1 to this announcement, who own or control 19.38% of Cardinal's shares have stated their intention to accept the Shandong Gold Offer on the terms of the Intention set out in the first paragraph above.

- Cardinal considers that provision of the Shareholder Intention Statements may provide Nordgold with an incentive to increase its offer as this would trigger the “superior proposal” conditions in the Shareholder Intention Statements (if such an increase were to be made by 5.30pm (AEDT) on Thursday 29 October 2020). In the event that Nordgold elects not to increase its offer by 5.30pm (AEDT) on 29 October 2020 (and there is no other superior proposal for value in excess of A\$1.00 per Share), the persons providing the Shareholder Intention Statements who own or control 19.38% of Cardinal’s shares will accept the Shandong Gold Offer, increasing Shandong Gold’s relevant interest in Cardinal shares to 31.37%. Cardinal has no knowledge of the intentions of Nordgold and can provide no guidance as to whether Nordgold would seek to increase its offer or otherwise.
- As at the date of this announcement, Nordgold has a relevant interest in approximately 28% of Cardinal’s shares.
- Cardinal Shareholders are invited to provide additional statements to the Shareholder Intention Statements and Cardinal will provide further updates as required.¹

The Cardinal Board continues to unanimously recommend that Cardinal Shareholders **ACCEPT the Shandong Gold Offer** (in the absence of a Superior Proposal) and **TAKE NO ACTION in respect of the Nordgold Offer**.

Shandong Gold Intention in respect of certain Cardinal Options

Cardinal has also received correspondence from Shandong Gold advising Cardinal of its intention to seek to reach agreement with each of the holders of “OP2” designation A\$0.50 exercise price Options to accelerate the timing for completion of the transfer of those Options pursuant to the existing Deeds of Assignment of Options.

If Shandong Gold is successful in negotiating the acceleration of the acquisition of such Options (of which there are currently 18,500,000 on issue), the Options are transferred and Shandong Gold subsequently exercises those Options, this will have the effect of increasing Shandong Gold’s relevant interest in Cardinal by approximately 3.3% on a diluted basis (assuming no other Options are exercised).²

Cardinal intends to engage with Shandong Gold and the relevant Optionholders to seek such agreement, to the extent it is able. Cardinal will provide further updates in due course.

Advisors

Cardinal’s joint financial advisers are Maxit Capital LP, BMO Capital Markets, Euroz Hartleys Limited and Canaccord Genuity Corp. Cardinal’s legal advisers are HopgoodGanim Lawyers (Australia) and Bennett Jones LLP (Canada).

ABOUT CARDINAL

Cardinal Resources Limited (ASX/TSX: CDV) is a West African gold-focused exploration and development Company that holds interests in tenements within Ghana, West Africa.

The Company is focused on the development of the Namdini Gold Project and released its Feasibility Study on 28 October 2019.

¹ Interested shareholders should first obtain independent legal advice as to the consequences that may arise from providing a Shareholder Intention Statement.

² The issue of new Shares on exercise of the Options will dilute the percentages expressed elsewhere in this announcement.

Cardinal confirms that it is not aware of any new information or data that materially affects the information included in its announcement of the Ore Reserve of April 3, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

The Namdini Project has a published gold **Ore Reserve of 5.1 Moz (138.6 Mt @ 1.13 g/t Au; 0.5 g/t cut-off), inclusive of 0.4 Moz Proved (7.4 Mt @ 1.31 g/t Au; 0.5 g/t cut-off) and 4.7 Moz Probable (131.2 Mt @ 1.12 g/t Au; 0.5 g/t cut-off).*

Authorised for release by the Board of Cardinal Resources Limited.

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Competent / Qualified Person Statement

The scientific and technical information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves at the Namdini Gold Project has been reviewed and approved by Mr. Richard Bray, a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr. Ekow Taylor, a Chartered Professional Geologist with the Australasian Institute of Mining and Metallurgy. Mr. Bray and Mr. Taylor have more than five years' experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person for the purposes of NI43-101. Mr. Bray and Mr. Taylor are full-time employees of Cardinal and hold equity securities in the Company.

For further information on the Namdini project please see the Feasibility Study (FS) for the Namdini Gold Project, titled "Namdini Gold Project Feasibility Study 43-101 Report" by David Gordon, FAusIMM, Daryl Evans, FAusIMM, Nicolas Johnson, MAIG MPRm and Glenn Turnbull, FIMMM, MAusIMM, which was released on October 28, 2019. The technical report on the Feasibility Study, pursuant to NI 43-101 of the Canadian Securities Administrators, was issued on SEDAR at www.sedar.com on November 28, 2019.

Disclaimer

Cardinal confirms that it is not aware of any new information or data that materially affects the information included in its announcement of the Ore Reserve of April 3, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

This ASX / TSX press release has been prepared by Cardinal Resources Limited (ABN: 56 147 325 620) ("Cardinal" or "the Company"). Neither the ASX or the TSX, nor their regulation service providers accept responsibility for the adequacy or accuracy of this press release.

This press release contains summary information about Cardinal, its subsidiaries and their activities, which is current as at the date of this press release. The information in this press release is of a general nature and does not purport to be complete nor does it contain all the information, which a prospective investor may require in evaluating a possible investment in Cardinal.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Cardinal's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Cardinal and of a general nature which may affect the future operating and financial performance of Cardinal and the value of an investment in Cardinal including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel and foreign currency fluctuations.

Except for statutory liability which cannot be excluded and subject to applicable law, each of Cardinal's officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this press release and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this Announcement or any error or omission here from. Except as required by applicable law, the Company is under no obligation to update any person regarding any inaccuracy, omission or change in information in this press release or any other information made available to a person nor any obligation to furnish the person with any further information. Recipients of this press release should make their own independent assessment and determination as to the Company's prospects, its business, assets and liabilities as well as the matters covered in this press release.

Forward-looking statements

Certain statements contained in this press release, including information as to the future financial or operating performance of Cardinal and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, anticipated timing of the feasibility study (FS) on the Namdini project, estimates and assumptions in respect of mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward – looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cardinal, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Cardinal disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after today's date or to reflect the occurrence of unanticipated events, other than required by the Corporations Act and ASX and TSX Listing Rules. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this press release are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Schedule 1 – Details of persons who have given Shareholder Intention Statements

Entity¹	No of Shares held or controlled	% of Cardinal issued capital*
PCAS (Australia) Pty Ltd <PCAS Investment A/C>	625,000	0.12%
Samson Rock Capital LLP (Investment Manager) ²	29,872,936	5.55%
Michael Vitton ³	12,907,178	2.40%
Arthur Koimtsidis (a Director of Cardinal) ⁴	1,935,606	0.36%
Kenneth Glyndwr Thomas (a Director of Cardinal) ⁴	750,000	0.14%
Malik Easah (a Director of Cardinal) ⁴	1,181,818	0.22%
Michele Muscillo (a Director of Cardinal) ⁴	833,333	0.15%
Kevin Tomlinson (a Director of Cardinal) ⁴	918,800	0.17%
Sarah Shipway (the Company Secretary of Cardinal)	791,168	0.15%
Mrs Sophie Kyriazis	2,000,000	0.37%
Mr Owen Barry & Mrs Joanne Ross Merrett – Merrett Super Fund A/C	2,200,000	0.41%
Mr Owen Barry & Mrs Joanne Ross Merrett – Merrett Family A/C	711,500	0.13%
St George Custodians Pty Ltd – Beeliar No 2 A/C	700,000	0.13%
Red Dog Fund Pty Ltd <Archibald Fund>	145,000	0.03%
Oceanic Capital Pty Ltd	19,000,000	3.53%
Payzone Pty Ltd <St Barnabas Super A/C>	3,881,716	0.72%
St Barnabas Investments Pty Ltd	3,865,625	0.72%
St Barnabas Investments Pty Ltd – The Melvista Family A/C	1,550,000	0.29%
Dixson Trust Pty Limited	3,000,000	0.56%
Dixtru Pty Limited	2,050,050	0.38%
BW Mining Ltd ⁴ (associated entity of the COO of Cardinal)	1,545,455	0.29%
Caves Road Investments Pty Ltd	2,155,000	0.40%
Mandevilla Pty Ltd	1,400,000	0.26%
Redland Plains Pty Ltd - Brian Bernard Rodan Superannuation Fund A/C	607,860	0.11%
A C P Investments Pty Ltd (ATF The ACP Investment Trust)	3,000,000	0.56%
A C P Investments Pty Ltd	2,800,000	0.52%
Mr David Ian Raymond & Mrs Denise Allison Hall - Leveraged Equities A/C	3,050,027	0.57%
Trevor Schultz (a Director of Cardinal) ⁴	750,000	0.14%
TOTAL	104,228,072	19.38%

¹ Each of the above persons has consented to the inclusion of the above information in the form and in context in which it has been presented.

² The Investment Manager is the manager of the Samson Rock Event Driven Master Fund Limited (the entity in which the relevant Shares are held).

³ The relevant Shares are held in a custodian account.

⁴ The relevant Shares represent Shares issued on the recent exercise of the nil exercise price options.

* Minor variations in calculations and aggregation occur as a result of rounding to two decimal places.