

## ASX ANNOUNCEMENT AND MEDIA RELEASE

10 September 2014

# PLACEMENT AND NON-RENOUNCEABLE RIGHTS ISSUE OF OPTIONS

Cardinal Resources Limited (ASX: CDV) (“**the Company**”) is pleased to announce that it will undertake a capital raising via a placement and a pro rata non-renounceable rights issue of options to raise up to approximately \$1,625,183 before costs.

## HIGHLIGHTS

- **Placement of shares at 5.0 cents together with one free attaching option for each share to raise up to \$900,000**
- **Pro rata non-renounceable rights issue of options on the basis of one new option for every two shares held on the record date at an issue price of 1 cent to raise approximately \$481,183**
- **Additional placement to Directors to raise \$244,000 (subject to shareholder approval)**
- **Funds raised will be used for further RC drilling at the Namdini mining licence, to fund further mining licence joint venture agreements in the Bolgatanga Project area where appropriate and for working capital.**

## Placement

The Company has acceptances and commitments from sophisticated and professional investors in respect of a placement to issue 18 million fully paid ordinary shares (“**Shares**”) at an average price of 5.0 cents each with a free attaching option (“**New Options**”) for every Share subscribed for to raise \$900,000 (“**Placement**”). Settlement of the Placement will be subject to the receipt of cleared funds.

In addition to the Placement, the directors of the Company (namely, Messrs Alec Pismiris, Archie Koimtsidis, Marcus Michael and Malik Easah) will, subject to shareholder approval, participate in a placement to subscribe for a total of 4.88 million Shares and 4.88 million New Options for an aggregate subscription amount of approximately \$244,000 (“**Director Placement**”). The Director Placement will be made on the same terms as the Placement.

The New Options will be exercisable for 15 cents on or before 5.00pm (WST) on the date that is 5 years from the date of issue.

The Shares (other than those the subject of the Director Placement) will be issued under the Company’s existing capacity to issue securities under the placement capacities provided for by ASX Listing Rules 7.1 and 7.1A.

**Cardinal Resources Limited ABN 56 147 325 620**

[www.cardinalresources.com.au](http://www.cardinalresources.com.au)

**Ghana:** Durugu Residential Area, Kumbosco, Bolgatanga, Ghana P: +233 (0) 261905220 SKYPE: cardinal.archie

**Australia:** Level 1, 115 Cambridge Street, West Leederville, Perth, 6007 P: +61 (8) 9322 6600 F: +61 (8) 9322 6610

The New Options to be issued as part of the Placement and the Director Placement will be issued subject to shareholder approval being obtained.

The Company will send a notice of meeting to shareholders in due course with respect to, amongst other things, the approvals required for the issue of the New Options as part of the Placement and the Director Placement.

### Option Rights Issue

The Company will also undertake a pro rata non-renounceable rights issue of New Options on the basis of one New Option for every two Shares held by eligible shareholders on the record date (“Rights Issue”).

The New Options to be issued under the Rights Issue will be issued on the same terms and conditions as the New Options to be issued as part of the Placement, and the subscription price for the New Options under the Rights Issue will be 1 cent per New Option.

The Company will apply for quotation of the New Options the subject of the Placement and the Rights Issue on ASX.

As a result of the requirement for shareholder approval for the Director Placement, the record date for determining entitlements under the Right Issue will be before the date on which the directors are issued Shares under the Director Placement. As such, the Company will also seek shareholder approval for those directors to be issued 2,440,000 New Options as if they had been issued the Shares under the Director Placement before the record date of the Rights Issue, and elected to participate in the Rights Issue (“Additional Director Options”).

### Timetable

The proposed timetable for the Placement and Rights Issue is set out in the table below:

Issue of Shares and New Options as part of Placement (other than Director Placement)	16 September 2014
Rights Issue Appendix 3B	23 September 2014
Lodge Rights Issue Prospectus	24 September 2014
Notice sent to Security holders containing information required by Appendix 3B in relation to the Rights Issue	25 September 2014
Ex-date	29 September 2014
Record Date of Rights Issue	1 October 2014
Opening Date and despatch of Rights Issue Prospectus	8 October 2014
Closing Date	22 October 2014
New Options quoted on a deferred settlement basis	23 October 2014
Company notifies ASX of under-subscription	27 October 2014
Issue Date / Deferred settlement trading ends	29 October 2014
Shareholder Meeting	3 November 2014
Issue of Director Placement securities and Additional Director Options	4 November 2014
Latest date to place Rights Issue Shortfall <sup>2</sup>	22 January 2014

1. This timetable is indicative only and may change subject to the ASX Listing Rules.
2. Shareholder approval will be sought to allow for the participation in the placement of Shortfall by Directors.

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**Pro forma capital structure**

	Shares	Existing Options	New Options	Performance Shares
Current	73,356,576	11,000,000		100
Placement (non-related parties)	18,000,000		18,000,000	
Director Placement	4,880,000		4,880,000	
Rights Issue			48,118,288	
<b>Total</b>	<b>96,236,576</b>	<b>11,000,000</b>	<b>70,998,288</b>	<b>100</b>

1. The table assumes that all Shares and New Options the subject of the Placement, the Placement as it relates to Directors, the Rights Issue and the Additional Director Options are issued.
2. The table assumes that, other than the Shares issued as part of the Placement, no other Shares are issued, including by way of the exercise of Options or conversion of Performance Shares.

**Use of Funds**

The funds raised from the Placement and the Rights Issue will be used for further RC drilling at the Namdini mining licence, mining licence joint venture agreements in the Bolgatanga Project area where appropriate and working capital.

As announced on 26 August 2014, the Company is drilling a further 14 RC drill holes at Namdini to confirm continuation of the gold mineralisation both along strike and at depth. Drilling is taking place over 24 hours per day with the Company owned drill rig and is expected to be completed by mid-September.

The Company will announce the results of this drilling program in due course.

For further information regarding the Rights Issue or the Placement please contact the Company Secretary Sarah Shipway on +61 8 9322 6600.

Archie Koimtsidis  
 Managing Director  
**Cardinal Resources Limited**  
 P: +233 (0)26 190 52 20  
 Skype: cardinal.archie

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