



17 January 2013

Kerrie Papamihail
Assistant Manager, Listings (Perth)
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Kerrie

DESPATCH OF NOTICES TO SECURITY HOLDERS

Further to the announcement to ASX on 28 December 2012 regarding the issue of securities pursuant to the Non-Renounceable Entitlements Offer and acquisition of Cardinal Resources, the Company is pleased to confirm that it has acquired 100% of the issued share capital of Cardinal Resources (Australia) Limited pursuant to the Implementation Agreement.

The Company further confirms the repayment of the Cardinal Loan by the issue of 1,500,000 fully paid ordinary shares and 750,000 options exercisable at \$0.20 on or before 30 June 2014.

In accordance with the terms of the agreement between Azure Capital Limited ("Azure") and the Company (Underwriting Agreement), Azure (or its nominees) have the right, but not the obligation, to subscribe for 5,000,000 options exercisable at \$0.20 on or before 31 December 2015 for an issue price of \$0.002 each ("**Underwriter Options**"). As at the date hereof, Azure (or its nominees) have not subscribed for the Underwriter Options. In accordance with the Listing Rules, Azure (or its nominees) will have the right to subscribe for the Underwriter Options on or before 19 February 2013. Any Underwriter Options issued will be subject to escrow for 24 months from the date of quotation and any recipient of Underwriter Options will be required to enter into a restriction agreement to that effect.

Yours faithfully

Sarah Shipway
Company Secretary
Cardinal Resources Limited
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