



FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

THIS INTERIM FINANCIAL REPORT DOES NOT INCLUDE ALL THE NOTES OF THE TYPE NORMALLY INCLUDED IN AN ANNUAL FINANCIAL REPORT. ACCORDINGLY, THIS REPORT IS TO BE READ IN CONJUNCTION WITH THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2012 AND ANY PUBLIC ANNOUNCEMENTS MADE BY CARDINAL RESOURCES LIMITED DURING THE INTERIM REPORTING PERIOD IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE REQUIREMENTS OF THE *CORPORATIONS ACT 2001*.

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The Directors are pleased to submit their report on Cardinal Resources Limited for the half-year ended 31 December 2012.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

DIRECTOR	TITLE	DATE OF APPOINTMENT	DATE OF RETIREMENT
Klaus Eckhof	Non-Executive Chairman	1 February 2013	N/A
Archie Koimtsidis	Managing Director	24 December 2012	N/A
Marcus Michael	Executive Director	24 December 2012	N/A
Malik Easah	Executive Director	24 December 2012	N/A
Alec Pismiris	Non-Executive Director	*11 November 2010	N/A
Jeremy Shervington	Non-Executive Chairman	11 November 2010	28 December 2012
David Kelly	Non-Executive Director	11 November 2010	28 December 2012

*Mr Pismiris was an Executive Director prior to 24 December 2012

REVIEW AND RESULTS OF OPERATIONS

A summary of revenue and result for the half-year is set out below:

	2012	
	Revenue	Result
	\$	\$
Revenue and (Loss)	49,257	(437,055)

During the six month period the exploration and evaluation expenditure was \$196,476, administration costs were \$290,654 and foreign exchange gain was \$818, resulting in a total loss for the six months of \$437,055.

JULY - DECEMBER 2012 REVIEW OF OPERATIONS

The Board is pleased to provide the first Operations Report since relisting on the ASX as Cardinal Resources Limited on 24 January 2013.

Acquisition of Cardinal Resources (Australia) Limited

On 27 August 2012 the Company announced it had entered into an Implementation Agreement to acquire 100% of the existing shares in Cardinal Resources (Australia) Limited ("**Cardinal Australia**") for consideration of 30,750,000 shares and 15,375,000 \$0.20c options expiring 30 June 2014 conditional on, inter alia, shareholder approval being obtained, completion of an Entitlements Offer and satisfying the requirements of Chapters 1 and 2 of the Listing Rules.

Cardinal Australia is the beneficial owner of;

- 100% interest in 4 *prospective permits spanning circa 743 km²* in Ghana.
- an option to acquire a 60% interest in 2 exploitation licences located in the Kilo-Moto greenstone belt in Democratic Republic of Congo.

Completion of Acquisition of Cardinal Australia

On 27 December 2012 the Company completed the acquisition of Cardinal Australia. In addition the Company appointed new board members Chairman Klaus Eckhof, Managing Director Archie Koimtsidis and Executive Directors Marcus Michael and Malik Easah. Alec Pismiris remains on the board as a non-executive director. Jeremy Shervington and David Kelly resigned as directors. Sarah Shipway has been appointed company secretary.

GHANA PROJECTS

Cardinal is the beneficial owner of Ghanaian gold exploration assets, the Bolgatanga Project area and the Subranum Project comprising circa 734 km² of granted tenements.

The Bolgatanga Project is located in a Paleoproterozoic granite-greenstone belt in north-east Ghana close to the border with Burkina Faso. The Subranum Project is situated in the south western portion of the country, also within a Paleoproterozoic granite-greenstone belt. Gold mineralisation in Ghana and along strike in Burkina Faso is principally located within the greenstone belts. There is significant production from a number of gold mines in both regions, as well as from numerous small artisanal workings.

Bolgatanga Project

Cardinal Resources Ghana Limited, a Ghanaian registered Company and a wholly owned subsidiary of Cardinal Australia, is the registered holder of the **Kungongo** and **Bongo** Reconnaissance Licences and the **Ndongo** Prospecting Licence, collectively the "**Bolgatanga Project**".

The Bolgatanga Project is situated within the Upper- East Region of Ghana near the town of Bolgatanga and the project area covers circa 660km² of Paleoproterozoic greenstone belts in the NE of Ghana. The Kungongo and Bongo leases cover part of the NE extensions of the Bole -Bolgatanga Belt whilst the Ndongo lease straddles the Nangodi Greenstone Belt.

The Nangodi Greenstone Belt is the southern portion of the greenstone belt that crosses into Burkina Faso where the Youga gold mine is located. Locally, the belt trends NNE-SSW over a distance of 30 km and turns to a more ENE-WSW trend in the south of the area.

The historic Nangodi gold mine is located nearby and produced 18,620 oz Au from 23,600 tonnes, approximately 0.77 ozs per tonne (23.9 g/t Au) (Ghana Department of Mines records 1938).

The belt is comprised of Birimian-aged interbedded metavolcanics (mainly basalt flows), metasediments (phyllites) and occasional cherty horizons. Some small basic to intermediate intrusions occur within the belt are associated with gold mineralisation. Metasediments of Tarkwaian age occur adjacent and beneath the belt.

This is recognised as important as the gold mineralisation of the nearby Youga mine is hosted in sediments of similar age. The Nangodi Belt is regarded as the southern extension of the Youga Greenstone Belt in Burkina Faso.

The Youga gold mine is located 50 km to the north east on the same greenstone belt in Burkina Faso. This mine is currently in production and operated by Endeavour Mining Corporation (TSX:EDV / ASX:EVR). The Youga gold mine commenced production in 2008 and has quoted reserves of 4.5 million tonnes @ 2.5 g/t Au (362,000 oz), with a resource of 1.55 Moz. This deposit was identified through regional exploration in the early 2000's.

Exploration and mining activity in the area includes the Shaanxi Mining Ghana Ltd underground mine which has targeted gold mineralisation following a sheared margin of the Nangodi Belt along with numerous individual and local artisanal miners.

Bolgatanga Project Geochemical Results

On 4 February 2013 the Company released to the ASX an announcement detailing recent geochemical results for the **Bolgatanga Project**.

The geochemical results carried out at the **Ndongo Prospecting Licence** identified two significant anomalous zones; the Eastern Sheared Contact Zone and the Central Folded Zone.

Eastern Sheared Contact Zone

The Eastern Sheared Contact Zone is located on the sheared contact between metavolcanics and metasediments. This contact is considered a continuation of the contact zone containing the historical Nangodi gold mine and the producing Shaanxi gold mine.

This anomalous zone is also adjacent to a well-defined, NE-SW striking interpreted geophysical shear structure. This anomaly currently has a strike length of 1.3km, a width of about 250m and average values of 128 ppb Au.

Central Folded Zone

The Central Folded Zone is located along the trace of refolded anticlinal axis (D1 & D2 deformation) within metasediments and is bounded by cherty sediments and massive quartz vein outcrops. Refolded cherty sediments are adjacent to this anomaly on its western side with the refolding likely to have formed traps for gold mineralising fluids.

This zone is also adjacent to a well-defined, major NE-SW striking interpreted geophysical shear structure. The geochemical anomaly has a strike length of approximately 3km, a width ranging between 150-500m and average values of 380 ppb Au.

Bolgatanga Project Exploration Program

The geochemical soil sampling program will continue at **Ndongo** to cover target areas within the tenement. Anomalous results will be plotted and assessed for possible additional drill targets and a diamond drilling program will be planned to further test the Eastern Sheared Contact Zone and Central Folded Zone geochemical anomalies.

The Ndongo geochemical soil sampling program results will be reviewed and assessed in conjunction with information derived from the proposed airborne geophysical survey.

At **Kungongo** and **Bongo**, the proposed airborne geophysical survey announced on 5 February 2013, along with existing data will be assessed for an initial geochemical program to assess possible drill targets.

Subranum Project

The Subranum tenement is situated in the southern portion of Ghana, approximately 45km north west of the city of Kumasi, and 240 km north west of the capital city Accra, in the Sabranomu district.

Cardinal Resources Subranum Limited ("**Cardinal Subranum**"), a Ghanaian registered Company and a wholly owned subsidiary of Cardinal Australia, has entered into a Sale and Purchase agreement with Newmont Ghana Gold Limited (a subsidiary of Newmont Mining Corporation) for the purchase of Subin Kasu Prospecting Licence (the "**Subranum Project**").

Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Subranum will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, US\$50,000 on the first anniversary of the approval date and a final US\$100,000 on the second anniversary date. In addition Cardinal Subranum will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.

Cardinal Subranum will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Subranum reports a JORC compliant gold resource of 1 Moz of Gold. Subject to the grant of a Mining Lease under the Ghanaian Mining Act, Cardinal Subranum will be required to pay Newmont Ghana Gold Limited a 2% Net Smelter Royalty.

The single tenement in the Subranum Project covers an area of 68.7 km² and is situated in the Sefwi-Bibiani greenstone belt in south-western Ghana, and is proximal to the currently producing Bibiani and Chirano mines. Bibiani has produced over 3.8 Moz Au since its discovery in 1902, from a mixture of open pit and underground mining methods. Current owner Noble Mineral Resources Pty Ltd recently completed its first gold pour in March 2012 from a re-furbished 2.7 Mtpa mill.

The Chirano gold mine operated by Kinross Mining Corporation, proximal to the Bibiani mine, produced in excess of 260,000 oz (equivalent) Au in 2011.

Despite the existence of these large discoveries and the extensive history of gold production in the area, the remainder of the Sefwi-Bibiani greenstone belt remains comparatively under-developed. Similar to the Bolgatanga

Project, exploration of the Subranum Project will be targetting structurally controlled greenstone belt deposits, comprising fault and shear hosted veins contained within intermediate volcanoclastic rocks and felsic intrusives

Subranum Project Exploration Program

To evaluate the gold mineralisation contained within these anomalous zones, a systematic diamond drilling program will be undertaken at regular intervals across the strike length of these anomalies. This program will then determine whether the gold mineralisation is continuous or not and whether there is a plunge to the mineralisation.

The airborne geophysical survey will also cover the **Subranum** Prospecting Licence.

DEMOCRATIC REPUBLIC OF CONGO (DRC)

On 30 April 2012 Cardinal executed an Option Agreement with CONNECTIONS SPRL, a company domiciled in the DRC, to acquire certain exploitation rights in the DRC.

Under the terms of the Agreement, Cardinal paid an Option Fee of US\$50,000, being an option to acquire a 60% interest in a joint venture to be established in the DRC. On exercise of the option, Cardinal is required to pay a further US\$500,000 to acquire its interest as contemplated by the Option Agreement.

Two exploitation licences, PE 5051 and PE 5053, currently held by Société Minière de Kilo-Moto, a state owned resources company based in the Democratic Republic of Congo, are located over the Kilo-Moto greenstone belt in the far north eastern portion of DRC and are the subject of the Option Agreement.

The Kilo-Moto Greenstone Belt (KMGB) is a Neo-Archaean suite of complexly interlayered volcano-sedimentary rocks comprising basalts, dolerites dykes and sills, intermediate to felsic volcanic rocks, and fine grained sedimentary rocks. This sequence has been metamorphosed to greenschist facies.

Gold has been produced from a combination of small scale artisanal and modern mechanised methods from the Kilo-Moto region since its initial discovery in 1905 (Fahey, 2008) and the area remains prospective for the discovery of major gold deposits. The KMGB is known to host several large gold deposits, including the Kibali Gold Project, operated by Randgold resources, which is host to a resource of ~20 Moz Au and the Giro Gold project which has been subject to more than 60 years of artisanal historic working, and is known to host gold in quartz veins with grades in excess of 50 g/t Au.

A site visit to the DRC project area is planned for Q2 2013.

Competent Persons Statement

Information in this report that relates to the Bolgatanga Project is based on information compiled by Paul Abbott, a full time employee of Cardinal Resources Limited, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Geological Society of South Africa. Paul Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and OreReserves'. Paul Abbott consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a meeting of directors.

A handwritten signature in black ink, appearing to read 'K. Eckhof', written in a cursive style.

Klaus Eckhof

Non-Executive Chairman

12 March 2013

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Cardinal Resources Limited

As auditor for the review of Cardinal Resources Limited for the period ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.



Somes Cooke



Kevin Somes

Perth

12 March 2013

Australian Dollar (\$)		31 December	31 December
	Note	2012	2011
		\$	\$
REVENUE		49,257	58,834
EXPENDITURE			
Administration expenses		(290,654)	(139,161)
Exploration and evaluation expenses		(196,476)	-
LOSS BEFORE INCOME TAX		(437,873)	(80,327)
Income tax benefit / (expense)		-	-
LOSS AFTER INCOME TAX		(437,873)	(80,327)
OTHER COMPREHENSIVE INCOME		818	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
ATTRIBUTABLE TO MEMBER OF THE COMPANY		(437,055)	(80,327)
BASIC AND DILUTED EARNINGS PER SHARE (\$)	3	(0.025)	(0.006)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Australian Dollar (\$)	Note	31 December 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		5,994,845	2,008,090
Trade and other receivables		38,072	31,182
Other assets		13,305	3,611
TOTAL CURRENT ASSETS		6,046,222	2,042,883
NON-CURRENT ASSETS			
Exploration and evaluation	4	8,003,939	103,985
Other non-current assets		-	412
Plant and equipment		220,545	-
TOTAL NON-CURRENT ASSETS		8,224,484	104,397
TOTAL ASSETS		14,270,706	2,147,280
CURRENT LIABILITIES			
Trade and other payables		609,972	84,560
Other current liabilities		100,000	-
TOTAL CURRENT LIABILITIES		709,972	84,560
TOTAL LIABILITIES		709,972	84,560
NET ASSETS		13,560,734	2,062,720
EQUITY			
Issued capital	5	12,557,486	2,024,917
Reserves	6	1,657,134	253,816
Accumulated losses		(653,886)	(216,013)
TOTAL EQUITY		13,560,734	2,062,720

The above statement of financial position should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Australian Dollar (\$)

	Note	ISSUED CAPITAL \$	RESERVES \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2011		410	11,600	(27,411)	(15,401)
Loss for the period		-	-	(80,327)	(80,327)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(80,327)	(80,327)
Shares and options issued during the period	5	2,522,700	242,216	-	2,764,916
Share issue expenses	5	(498,193)	-	-	(498,193)
Balance at 31 December 2011		2,024,917	253,816	(107,738)	2,170,995
Balance at 1 July 2012		2,024,917	253,816	(216,013)	2,062,720
Loss for the period		-	-	(437,873)	(437,873)
Other comprehensive income		-	818	-	818
Total comprehensive income for the period		-	818	(437,873)	(437,055)
Shares and options issued during the period	5,6	10,984,998	1,402,500	-	12,387,498
Share issue expenses	5	(452,429)	-	-	(452,429)
Balance at 31 December 2012		12,557,486	1,657,134	(653,886)	13,560,734

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

Australian Dollar (\$)	Note	31 December 2012 \$	31 December 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for exploration and evaluation		(33,583)	-
Payments to suppliers and employees		(328,032)	(172,368)
Interest received		3,573	33,265
Other – GST		(14,676)	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(372,718)	(139,103)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		-	(65,988)
Purchase of plant and equipment		(979)	-
Cash acquired on purchase of subsidiary – Cardinal Resources (Australia) Limited	10	329,978	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		328,999	(65,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		4,030,474	2,263,387
Share subscriptions received in advance		100,000	-
Repayment of borrowings		(100,000)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		4,030,474	2,263,387
Net increase in cash and cash equivalents		3,986,755	2,058,296
Cash and cash equivalents at the beginning of the half-year		2,008,090	9,306
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		5,994,845	2,067,602

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The consolidated half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 134.

The half-year report does not include full disclosures of the type normally included in an annual financial report. The half-year report is intended to provide users with an update on the latest annual financial statements of the Group. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

The half-year report has been prepared on an accruals basis and is based on historical costs.

The accounting policies applied by the Group in this half year report are the same as those applied by the Group in its financial report for the year ended 30 June 2012, except for the impact of the new Standards and Interpretations and changes in accounting policy described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Change in Accounting Policy

The Group has changed its accounting policy relating to the treatments of exploration and evaluation costs for the financial year ending 30 June 2013. Exploration and evaluation costs were previously capitalised, provided the rights to tenure of the area of interest were current and either;

- the exploration and evaluation costs were expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest had not, at the reporting date, reached a stage that permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relation to, the areas of interest was continuing.

The Group has now elected to expense as incurred all exploration and evaluation costs on areas of interest except for the costs of acquiring leases and other rights of tenure, which will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and either:

- the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relation to, the areas of interest are continuing.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

This change to the accounting policy has been implemented as management is of the opinion this will provide more relevant information, and result in more accurate report at the end of the reporting period.

The following accounting policies were not disclosed in the financial report for the year ended 30 June 2012 and are relevant to these financial statements:

Principles of Consolidation

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by Cardinal Resources Limited at the end of the reporting period. A controlled entity is any entity over which Cardinal Resources Limited has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in note 10 to these financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit and Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur when an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control.

The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not measured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognition any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase price.

NOTE 2: OPERATING SEGMENTS

Operating segments are required to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Due to the size and nature of the consolidated entity, the Board as a whole has been determined as the chief operating decision maker. The Board has identified one segment, being gold exploration in Ghana, Africa. The financial information as presented in these financial statements is consistent with the reports reviewed by the Board used to make strategic decisions.

NOTE 3: LOSS PER SHARE

	31 December 2012	31 December 2011
	\$	\$
Basic and diluted loss per share	(0.025)	(0.006)
Loss used in calculation of loss per share	(437,873)	(80,327)
	Shares	Shares
Weighted average number of shares used as denominator in basic and diluted calculating loss per share	17,614,773	14,379,022

NOTE 4: EXPLORATION AND EVALUATION

	31 December 2012	31 December 2011
	\$	\$
Costs carried forward in respect of areas of interest		
Balance at the beginning of period	103,985	-
Acquired on acquisition of subsidiary (Note 10)	7,924,499	65,988
Other additions	79,440	-
Deferred exploration expenditure written off due to change in accounting policy	(103,985)	-
Balance at 31 December	8,003,939	65,988

NOTE 5: ISSUED CAPITAL

	31 December 2012	31 December 2011
	\$	\$
(a) Issued and paid up capital		
At the beginning of the period	2,024,917	410
Shares issued as part consideration for acquisition of subsidiary (Note 10)	6,600,000	-
Shares issued under Entitlement Offer	4,090,115	-
Other shares issued	289,383	2,516,700
Shares issued pursuant to exercise of options	5,500	6,000
Transactions costs arising from issue of shares	(452,429)	(498,193)
Balance at 31 December	12,557,486	2,024,917

	31 December 2012	31 December 2011
	Number	Number
Movement in Ordinary Shares		
At the beginning of the period	16,713,500	4,100,000
Shares issued as part consideration for acquisition of subsidiary (Note 10)	33,000,000	-
Shares issued under Entitlement Offer	20,450,576	-
Other shares issued	1,500,000	12,583,500
Shares issued pursuant to exercise of options	27,500	30,000
Balance at 31 December	71,691,576	16,713,500

(b) Share options

	31 December 2012 Number	31 December 2011 Number
Movement in options on issue exercisable at \$0.20 on or before 30 June 2014		
At the beginning of the period	6,261,750	-
Options issued as part consideration for acquisition of subsidiary (Note 6 (i))	16,500,000	-
Options issued under Entitlement Offer	30,675,870	-
Options issued during the reporting period	750,000	6,291,750
Exercise of options	(27,500)	(30,000)
Balance at 31 December	54,160,120	6,261,750

	31 December 2012 Number	31 December 2011 Number
Movement in options on issue exercisable at \$0.20 on or before 31 December 2015		
At the beginning of the period	6,000,000	4,000,000
Options issued during the period	-	2,000,000
Balance at 31 December	6,000,000	6,000,000

NOTE 6: RESERVES

	31 December 2012 \$	31 December 2011 \$
Option Reserve		
Balance at beginning of period	253,816	11,600
Options issued during the period (i)	1,402,500	242,216
Balance as 31 December	1,656,316	253,816

- (i) On 28 December 2012, as part consideration for the acquisition of Cardinal Resources (Australia) Limited (Note 10), the parent entity issued 16,500,000 options to subscribe for ordinary shares, exercisable at \$0.20 each on or before 30 June 2014. The fair value of the options issued was estimated at the date of grant using the Binomial Option Pricing Model. The following table sets out the assumptions made in determining the fair value of the options granted:

Grant date	28 December 2012
Dividend yield	0.00%
Expected volatility	80.00%
Risk-free interest rate	2.62%
Option exercise price	\$0.20
Expected life (years)	1.5
Share price on date of grant	\$0.204

	31 December 2012 \$	31 December 2011 \$
Foreign Translation Reserve		
Balance at beginning of period	-	-
Foreign translation	818	-
Balance as 31 December 2012	818	-

NOTE 7: CONTINGENCIES AND COMMITMENTS

Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Subranum will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, US\$50,000 on the first anniversary of the approval date and a final US\$100,000 on the second anniversary date. In addition Cardinal Subranum will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.

Cardinal Subranum will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Subranum reports a JORC compliant gold resource of 1 Moz of Gold. Subject to the grant of a Mining Lease under the Ghanaian Mining Act, Cardinal Subranum will be required to pay Newmont Ghana Gold Limited a 2% Net Smelter Royalty.

Under the terms of the Agreement, Cardinal paid an Option Fee of US\$50,000, being an option to acquire a 60% interest in a joint venture to be established in the DRC. On exercise of the option, Cardinal is required to pay a further US\$500,000 to acquire its interest as contemplated by the Option Agreement.

Except for the above there has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 8: SUBSEQUENT EVENTS

On 10 January 2013 the Company issued 1,665,000 fully paid ordinary shares and 2,497,500 listed options exercisable at \$0.20 on or before 30 June 2014 under the Entitlement Issue Prospectus dated 15 November 2012.

On 19 November 2012 the securities of Cardinal Resources Limited were suspended from quotation pending the outcome of the resolutions at the Company's annual general meeting regarding a change in the nature and scale of activities. The shareholders approved the change in nature and scale of activities, the securities remained suspended pending the compliance with Chapters 1 and 2 of the Listing Rules. On 24 January 2013 the Company's securities commenced trading on the Australian Securities Exchange.

On 8 February 2013 the Company issued 5,000,000 Underwriter Options exercisable on or before 31 December 2015 for \$0.20 for an issue price of \$0.002. The options were issued as part consideration to Azure Capital Limited for underwriting up to \$4.0 million of the Company's Entitlement offer.

Except for the above, no other matter or circumstance has arisen since 31 December 2012, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 9: ESTIMATES & ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2012.

Share Based Payments

The value of share based payments for the period to 31 December 2012 has been valued using estimates and assumptions that are outlined at Note 6.

NOTE 10: SUBSIDIARIES

The parent entity, Cardinal Resources Limited, has a 100% interest in the below companies. Cardinal Resources Limited is required to make all the financial and operating policy decisions for each subsidiary.

Subsidiaries of Cardinal Resources Limited	Country of Incorporation	Percentage Owned %	
		2012	2011
Cardinal Resources (Australia) Limited	Australia	100%	-
Cardinal Resources (Ghana) Limited	Ghana	100%	-
Cardinal Mining Services Limited	Ghana	100%	-
Cardinal Resources Subranum Limited	Ghana	100%	-

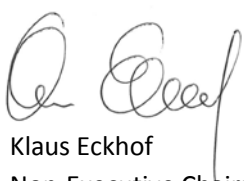
The parent entity acquired a 100% interest in Cardinal Resources (Australia) Limited on 28 December 2012. Cardinal Resources (Australia) Limited has a 100% interest in Cardinal Resources (Ghana) Limited, Cardinal Mining Services Limited, and Cardinal Resources Subranum Limited. Details of the acquisition are as follows:

	Fair Value \$
Purchase Consideration	
Ordinary Shares (Note 5)	6,600,000
Options (Note 6)	1,402,500
	8,002,500
Fair value of net assets acquired on date of acquisition	
Cash and cash equivalent	329,978
Current trade and other receivables	6,286
Plant and equipment	249,364
Exploration project interests	7,924,499
Trade and other payables	(218,244)
Loans payable	(289,383)
	8,002,500

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 9 to 19 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a meeting of the Board of Directors.



Klaus Eckhof
Non-Executive Chairman

Cardinal Resources Limited

Perth, 12 March 2013

Independent Auditor's Review Report

To the members of Cardinal Resources Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Cardinal Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Cardinal Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Cardinal Resources Limited's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cardinal Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

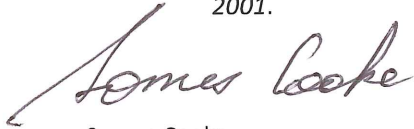
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

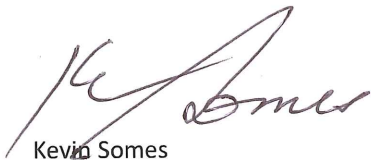
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cardinal Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Cardinal Resources Limited's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Somes Cooke



Kevin Somes

12 March 2013

Perth
Western Australia



Cardinal Resources Limited ABN 56 147 325 620

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