

ASX ANNOUNCEMENT AND MEDIA RELEASE

24 November 2015

CARDINAL TO ISSUE UNLISTED OPTIONS

Cardinal Resources Limited (ASX: CDV) (“**Cardinal**” or “**the Company**”) is pleased to announce the issue of unlisted options under the Company’s Employee Share Scheme adopted at the Company’s Annual General Meeting held on 19 November 2015.

The unlisted options will be exercisable at \$0.22 on or before 4 years from the date of issue. Further details of the terms and conditions of the options are in Annexure A.

The Company intends to issue the unlisted options to the board and key management personnel of the Company, as per the below table. The directors’ options are subject to shareholder approval being obtained.

Board and Key Management Personnel	Unlisted Options
Mark Connelly	1,000,000
Archie Koimtsidis	3,000,000
Malik Easah	2,000,000
Mark Thomas	1,500,000
Simon Jackson	1,000,000
Paul Abbott	1,000,000
Sarah Shipway	250,000

After the above issue the Company will have 9,750,000 unlisted options, exercisable at \$0.22 on or before 4 years from the date of issue, on issue.

The options exercise price was determined by applying a 50% premium to the Company’s 30 day Volume Weighted Average Price (VWAP) as at 23 November 2015. The industry practice ranges from 30% to 50% premium to the Volume Weighted Average Price (VWAP) for the previous 30 days.

The general meeting to issue the above unlisted options under the Company’s employee share plan is scheduled to be held in January 2016, a notice of meeting will be distributed in due course.

For further information contact:

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ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS ISSUED

The Option entitles the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) Each Option will expire on the earlier of:
 - (i) 30 days from the date the Optionholder ceases to be retained or employed by the Company for any reason whatsoever (including without limitation resignation or termination for cause); or
 - (ii) 5:00pm (WST) on 4 years from the date of issue (**Expiry Date**).
- (c) An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) Subject to paragraph (m), the amount payable upon exercise of each Option is \$0.22 (**Exercise Price**).
- (e) The Options will vest on issue.
- (f) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;**(Exercise Notice)**.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect to the number of Options specified in the Exercise Notice.
- (j) The Options are not transferable except with the prior written consent of the board of directors of the Company.
- (k) All Shares allotted upon the exercise of the Options will upon allotment rank pari passu in all respects with other shares.
- (l) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those shares.

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- (m) If at any time the issued capital of the Company is restructured, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.